

NORTH DAKOTA

John W. Campbell, Ryder.
James M. Thomson, Turtle Lake.

WYOMING

Edmund P. Landers, Casper.
Orcemas O. Davis, Green River.
Ann D. Keenan, Pine Bluffs.
Arthur R. Fish, Wheatland.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 30, 1936

The House met at 12 o'clock meridian.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in Heaven, hide not Thy face from us and be not silent. Thou art our God, in which we trust and from whom we seek security, rest, and refreshment. Thou art unspeakably satisfying, a benediction, and a triumph. Before we go forth to the duties that await us we most earnestly desire to thank Thee for Him who has shown us a life of lowly duty, unselfish labor, and consecrated sorrow; bid us to rise up and walk in His way. Grant that Thy name on earth may be everywhere honored, Thy kingdom everywhere come, and the whole world filled with Thy glory. Do Thou guide and refresh our thoughts as we labor for the elevation of our people, and when the evening shadows fall may we have great peace. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, March 27, 1936, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 685. An act for the relief of the estate of Emil Hoyer (deceased);

H. R. 3254. An act to exempt certain small firearms from the provisions of the National Firearms Act;

H. R. 3369. An act for the relief of the State of Alabama;

H. R. 3629. An act to authorize the acquisition of additional land for the use of Walter Reed General Hospital;

H. R. 6645. An act to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926;

H. R. 8300. An act to authorize a preliminary examination of Suwannee River, in the State of Florida, from Florida-Georgia State line to the Gulf of Mexico;

H. R. 8559. An act to convey certain land to the city of Enfield, Conn.;

H. R. 8577. An act to amend the Teachers' Salary Act of the District of Columbia, approved June 4, 1924, as amended, in relation to raising the trade or vocational schools to the level of junior high schools, and for other purposes;

H. R. 8797. An act to provide a preliminary examination of Onondaga Creek, in Onondaga County, State of New York, with a view to the control of its floods;

H. R. 10182. An act to authorize the Secretary of War to acquire the timber rights on the Gigling Military Reservation (now designated as Camp Ord), in California;

H. R. 10187. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.;

H. R. 10490. An act to amend chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 11365. An act relating to the filing of copies of income returns, and for other purposes; and

H. J. Res. 305. Joint resolution accepting the invitation of the Government of France to the United States to participate in the International Exposition of Paris—Art and

Technique in Modern Life, to be held at Paris, France, in 1937.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 6544. An act to conserve the water resources and to encourage reforestation of the watersheds of Santa Barbara County, Calif., by the withdrawal of certain public land, included within the Santa Barbara National Forest, Calif., from location and entry under the mining laws;

H. R. 8372. An act to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon;

H. R. 10489. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y.;

H. R. 11323. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y.;

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 1318. An act to authorize the Secretary of the Interior to investigate and adjust irrigation charges on irrigation lands within projects on Indian reservations, and for other purposes;

S. 1871. An act granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School;

S. 1880. An act to authorize the award of a decoration for distinguished service to Col. John A. Lockwood, United States Army, retired;

S. 2553. An act conferring jurisdiction upon the United States District Court for the Eastern District of Arkansas to hear, determine, and render judgment upon the claim of C. C. Young;

S. 2926. An act to authorize the Commissioner of Education in the Department of the Interior to conduct a study and disseminate his findings and recommendations regarding suitable aviation instruction courses for the public schools, and for other purposes;

S. 3167. An act to extend the provisions of certain laws relating to vocational education and civilian rehabilitation to the Territory of Alaska;

S. 3247. An act to amend title II of the National Industrial Recovery Act as amended by the Emergency Appropriation Act, fiscal year 1935, and as extended by the Emergency Relief Appropriation Act of 1935;

S. 3450. An act to regulate the sales of goods in the District of Columbia;

S. 3477. An act relating to the jurisdiction of the judge for the northern and middle districts of Alabama;

S. 3516. An act for the relief of Alice D. Hollis;

S. 3720. An act to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes;

S. 3748. An act to authorize the Bureau of Mines to conduct certain studies, investigations, and experiments with respect to subbituminous and lignite coal, and for other purposes;

S. 3789. An act authorizing the Secretary of Commerce to convey the Charleston Army Base Terminal to the city of Charleston, S. C.;

S. 3836. An act to amend the Criminal Code with respect to the manner of inflicting the punishment of death;

S. 3842. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the establishment of the Territorial Government of Wisconsin, and to assist in the celebration of the Wisconsin Centennial during the year of 1936;

S. 3870. An act granting a leave of absence to settlers of homestead lands during the year 1936;

S. 3945. An act to extend the times for commencing and completing the construction of certain free highway bridges

across the Red River, from Moorhead, Minn., to Fargo, N. Dak.;

S. 3971. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

S. 3976. An act to amend the act approved February 27, 1931, known as the District of Columbia Traffic Act;

S. 4020. An act to authorize the acquisition of lands in the city of Alameda, county of Alameda, State of California, as a site for a naval air station and to authorize the construction and installation of a naval air station thereon;

S. 4132. An act to amend section 4b of the National Defense Act, as amended, relating to certain enlisted men of the Army;

S. 4135. An act for the relief of Helen Curtis;

S. 4165. An act amending the District of Columbia Unemployment Act;

S. 4190. An act to amend the act approved February 7, 1913, so as to remove restrictions as to the use of the Little Rock Confederate Cemetery, Arkansas, and for other purposes;

S. 4229. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the incorporation of Bridgeport, Conn., as a city;

S. 4335. An act to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition;

S. J. Res. 38. Joint resolution for the adjustment and settlement of losses sustained by the cooperative marketing associations;

S. J. Res. 215. Joint resolution authorizing the selection of a site and the erection of a pedestal for the Albert Gallatin statue in Washington, D. C.; and

S. J. Res. 231. Joint resolution to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware.

UNEMPLOYMENT RELIEF

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a resolution passed by the Boston Northeastern Regional Meeting of the United States Conference of Mayors.

The SPEAKER. Without objection, it is so ordered.

Mr. CONNERY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

RESOLUTION ON W. P. A. UNANIMOUSLY ADOPTED AT BOSTON NORTHEASTERN REGIONAL MEETING OF UNITED STATES CONFERENCE OF MAYORS, MARCH 21, 1936

Whereas we have met in formal sessions of the Northeastern Regional Section of the United States Conference of Mayors and have received first-hand reports from the chief executives of the cities of Massachusetts, Connecticut, Rhode Island, Maine, New Hampshire, New York, and New Jersey with regard to the pressing problems of caring for the unemployed needy in these communities; and

Whereas these reports have revealed that, though there has been an evident improvement in general business conditions, still the numbers on relief and in need of aid have not been substantially reduced; and

Whereas the present W. P. A. program has been productive of useful and constructive works of lasting benefit and permanent value to our communities; and

Whereas considerable alarm has been felt over the announced reductions in W. P. A. quotas: Now, therefore, be it

Resolved (as the consensus of the northeastern regional section), That the President and executive committee of the United States Conference of Mayors be instructed to continue their efforts to insure an extension of the W. P. A. program, which is absolutely essential to provide adequate care and assistance for the unemployed employables of our Nation. It is the hope of this group that industry will absorb much of the surplus labor during the coming months and lessen the problem of relief, but until such does take place, we must carry on as in the past. In this connection we authorize the president and executive committee to place at the disposal of private industry all the informational facilities of the Conference of Mayors in any plan which industry may develop in accordance with the message of President Roosevelt on March 18 to effect increased employment during the coming months; be it further

Resolved, That it be recommended to the Works Progress Administrator that W. P. A. quotas be not reduced except as workers are actually placed in other jobs.

(Major cities in New York, Massachusetts, Connecticut, Maine, Rhode Island, Vermont, and New Hampshire represented.)

HEALTH AUTHORITIES OF FOUR STATES UNITE FOR ELIMINATION OF STREAM POLLUTION

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing correspondence between myself and Dr. Arthur E. McClue, State health commissioner, and a resolution adopted by the health departments of West Virginia, Virginia, Pennsylvania, and Maryland.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANDOLPH. Mr. Speaker, the recent destructive floods throughout many sections of the country struck with devastating effect the States of West Virginia, Virginia, Maryland, and Pennsylvania. In this connection we are faced with the need for immediate action, not only to bring about control of rivers and streams in this important territory but there ties in closely the proposed program for elimination of pollution. Health authorities recently joined together in an effort to focus the attention of our officials toward the pressing problem of carrying forward a comprehensive program which will aid in combating disease which results from stream pollution.

Correspondence between Dr. Arthur E. McClue, State health commissioner of West Virginia, and myself on this subject and a resolution approved by the health officials of these four States are included herewith:

MARCH 30, 1936.

Dr. ARTHUR E. MCCLUE,

State Health Commissioner, Charleston, W. Va.

MY DEAR DR. MCCLUE: I deeply appreciate your letter of March 26 relative to the program under way for improving conditions in the Potomac River Basin.

I want to congratulate the health officials of Maryland, Pennsylvania, Virginia, and West Virginia for their cooperative effort toward the establishment of the Potomac River conservancy district. I have kept in close touch with this proposal and am exerting every effort possible to secure favorable consideration of this plan. I shall be active along the lines you suggest.

With kindest personal regards, I am,

Sincerely yours,

JENNINGS RANDOLPH.

STATE OF WEST VIRGINIA,
DEPARTMENT OF HEALTH,
Charleston, March 26, 1936.

HON. JENNINGS RANDOLPH,

Member House of Representatives, Washington, D. C.

DEAR CONGRESSMAN RANDOLPH: I have no doubt that you are familiar with the efforts which are being made to improve conditions of public health in the Potomac River Basin.

I wish particularly to call your attention at this time of flood emergency on the Potomac River to the joint action of the health authorities of four States in the Potomac River watershed to establish the Potomac River conservancy district to enable these States to work together with the Federal Government to control detrimental stream pollutions in this area, which is affecting public health.

The enclosed resolution speaks for itself and we would appreciate your help when this matter is brought before the Congress.

Very truly yours,

ARTHUR E. MCCLUE, M. D.,
State Health Commissioner.

Resolution adopted by the representatives of the State health departments of Maryland, Pennsylvania, Virginia, and West Virginia relating to the establishment of the Potomac River conservancy district as recommended by the special advisory committee on water pollution of the National Resources Committee

At a conference held in Baltimore, Md., on January 27, 1936, between representatives of the State health departments of Maryland, Pennsylvania, Virginia, and West Virginia, the following resolution was unanimously adopted:

"Whereas the Special Advisory Committee on Water Pollution of the National Resources Committee has made an extensive survey of stream pollution conditions and of the legislation existing for the control of pollution throughout the United States, and has reported the results of its findings thereon under date of September 16, 1935, to the Honorable Harold L. Ickes, chairman, National Resources Committee; and

"Whereas the said special advisory committee has found that many States are faced with increasingly serious pollution of their waters; that there is a need for the development and adoption of uniform standards of water quality for various uses; that insufficient effort is being made to protect streams used as a source of public and industrial water supply, for recreation, agriculture, and to protect water fowl and fish life from the effects of domestic and industrial waste; and that many States are lacking in legislation properly drawn to cope with these problems; and

"Whereas the said special advisory committee has presented to said National Resources Committee a tentative program for consideration for the interstate control of stream pollution on the basis of drainage areas, where possible; for the simplification and coordination of State laws; for broader authorization and adequate funds for research; for the institution of a cooperative program of investigation to be carried on by legally constituted State agencies with an appropriate Federal agency; and

"Whereas the said special advisory committee has recommended the establishment of a demonstration unit on the Potomac River drainage basin, to be known as the Potomac River Conservancy District, to be used not only as an aid in the solution of the many serious pollution problems in a special program of cooperation between the States of Maryland, Pennsylvania, Virginia, and West Virginia and the Federal Government, but also to serve as a training unit for the development of scientific and administrative personnel for duty with other States; and

"Whereas such a demonstration unit as the Potomac River Conservancy District, involving the States of Maryland, Pennsylvania, Virginia, and West Virginia, would be admirably suited for a demonstration of the possibilities of: (1) Better coordinated water-pollution control legislation in the aforementioned States, and between said States and the Federal Government; (2) more adequate administrative procedure by State agencies; (3) development of the legal and administrative procedures for regional or metropolitan pollution abatement authorities; (4) coordination of municipal sewage disposal projects with State-wide or interstate projects; (5) clearing up unsolved problems of treating industrial wastes; (6) extension of cooperation with industry; and (7) direction of public interest toward adequate control of water pollution; and

"Whereas the Potomac River drainage basin is comparatively small in size; sufficiently close to the Washington base for consultation, negotiation, and review; sufficiently well advanced in detailed major studies and in many cases actual corrective field construction could be undertaken in the immediate future; and is such that Federal expenditures could be kept at a sufficiently modest level to warrant the demonstration program: Therefore be it

"Resolved, That the Department of Health of the State of Maryland, the Department of Health of the Commonwealth of Pennsylvania, the Department of Health of the Commonwealth of Virginia, the Department of Health of the State of West Virginia, charged by law with the duty of protecting the public health and recognizing the importance of clean streams as sources of present and future public water supplies, respectfully request the President of the United States and the Congress, to take such action as may be necessary and to provide sufficient financial aid to carry out the recommendations of the said special advisory committee on water pollution of the National Resources Committee, for the establishment of the Potomac River conservancy district for the purpose of removing the present undesirable, unsanitary, and dangerous pollution of the Potomac River, an interstate stream, where there now exist serious dangers to health and life which are rapidly increasing with the density of population; and be it further

"Resolved, That the State Health Department of Maryland, Pennsylvania, Virginia, and West Virginia do hereby agree to cooperate with the Federal Government, with the National Resources Committee and with the officials of the Potomac River conservancy district, in solving the many problems of stream pollution on the Potomac River drainage basin; and be it further

"Resolved, That copies of this resolution be sent to the President of the United States, to the Members of Congress from the States of Maryland, Pennsylvania, Virginia, and West Virginia, and to the National Resources Committee."

R. H. RILEY, M. D., D. P. H.,
Director of Health, State of Maryland.

BALTIMORE, Md., February 14, 1936.

EDITH MACBRIDE-DEXTER, M. D.,
Secretary of Health, Commonwealth of Pennsylvania.
HARRISBURG, Pa., February 20, 1936.

I. C. RIGGIN, M. D.,
State Health Commissioner, Department of Health,
Commonwealth of Virginia.
RICHMOND, Va., February 24, 1936.

ARTHUR E. MCCLUE, M. D.,
State Health Commissioner, State of West Virginia.
CHARLESTON, W. Va., March 11, 1936.

Mr. Speaker, I am convinced that not only will such a plan aid in better health conditions but we shall have an even flow of water, which will enable the growth of industrial development and the increased employment of workers.

ISSUES INVOLVED IN THE PRESENT DEMOCRATIC PRIMARY CAMPAIGN

Mr. BERLIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a radio address delivered by myself.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BERLIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address

which I made over station WJHB, at Greensburg, Pa., on Saturday evening, March 28, 1936:

My friends, I consider it most unfortunate that I am compelled to come to this audience and my Democratic friends on a matter of party principle and disagreement; a matter which I dislike. I wish to assure the Democratic voters of Westmoreland County that in the last few months I have made as honest an effort as any man can make to effect a settlement of the Democratic Party difficulties with Chairman J. Hilary Keenan.

Mr. Keenan agreed verbally to my written agreement designed for the sole purpose of advancing the ranks of the Democratic Party to give our President, Franklin Delano Roosevelt, an outstanding majority in the general election in November. I deem a victory for the President of much greater importance to you, my constituents, and the people of the Nation as a whole, than the election of a Congressman, State senator, or State representatives.

Keenan failed to live up to his verbal agreement. Therefore, I am going to take this occasion to define the two major and all-important issues in the present Democratic campaign for Congress. Candidates can almost be forgotten, inasmuch as the principles involved should be of more concern to the voters of the Democratic Party of Westmoreland County than the naming of Democratic candidates. Briefly, here are the issues involved:

First. Shall the Democratic voters of Westmoreland County on April 28 permit, by their votes, one man, Judge J. Hilary Keenan, who arrogantly designated himself as the Democratic organization, to assume complete control and ensconce himself as overlord of the party, so that he may be in a position to not only name the candidate who would be permitted to run at Democratic primaries but to control all patronage, including county, State, and Federal? In other words, in case he should be successful in his greed and avarice, he would then be in complete dictatorial control.

And, second, will the Democratic voters of Westmoreland County sanction Keenan's use of the W. P. A. as a political tool? As you well know, the Works Progress Administration is an organization set up by Congress, at the request of President Roosevelt, to relieve the suffering of the great army of unemployed. Should this or any other relief agency be used as a political football to build a machine for furthering Keenan's selfish ambition to become the boss?

The President has well expressed the genuine feeling of all good Americans—that is, that he did not want to see the Works Progress Administration hampered or discredited by partisan activity.

Administration of public relief and relief work is a public duty. Honesty and integrity are demanded in meeting that responsibility. Those who would make the relief program political and partisan are not capable of serving in public office.

The President has sounded the keynote in saying of the work-relief program, no political distinction can be permitted.

The present political campaign in Westmoreland County is a contest of real democracy against the autocracy of a self-appointed political despot, Judge J. Hilary Keenan.

It is a contest of the people in this district against an attempt at one-man rule of the Democratic Party.

It is a contest of the voters against a political czar.

Arrogance, ambition, personal hatreds, and greed are the platform planks of Keenan.

Keenan is waging a battle of heads he wins or tails the other fellow loses. It's the old Army game, so far as Keenan is concerned. He has concocted a plan to become absolute dictator of the Democratic Party of Westmoreland County and is willing to sacrifice the destiny of the Democratic Party to achieve his aim.

In stating the issues I should like to talk with you a few minutes on two records. Let's look at these records. One is the attempt of Keenan to develop and perfect a political dictatorship along lines that deserve repudiation by the voters of the Democratic Party in Westmoreland County.

The other is the one Keenan is attacking—my own—which I wish to set forth in the course of these remarks.

First, let's look at Keenan's record. In 1932 the Democratic Party won a notable victory in this district. That year I was convinced that the voters of this district wanted a new deal. I campaigned for more than 8 months and covered more than 33,000 miles. Although the victory was a victory of the voters who wanted a new deal, Mr. Keenan took the credit.

In 1934 in the State election Westmoreland County rolled up the second largest Democratic majority in the State of Pennsylvania when the voters of this district endorsed the policies of the Democratic Party. The Democrats won, but again Keenan took the credit and became more and more arrogant.

Keenan was made patronage chief of Westmoreland County by Governor Earle, who had been elected and for whom I have the utmost respect. Now, let's see what Keenan has done for the Democratic Party in the county as a dispenser of State patronage. With a tremendous Democratic majority in the 1934 election, the possibilities of recognition for the Democrats of Westmoreland County were strong. But did Keenan consult and advise with Democratic leaders even among his own intimates? No; he went into a huddle with himself and then muffed his chances. With characteristic selfish desire Keenan assigned to himself the job—and what has he done? Practically nothing outside of getting himself three jobs. What a record!

It is true that an outstanding Democratic attorney obtained a job as assistant United States attorney—that attorney was Jay R. Spiegel, a man whom I was glad to endorse. Upon the retirement of the United States district attorney, Keenan should have

made an effort to have the assistant named for the job which would have brought credit to Westmoreland County, but did he do this? He did not. He stood by and let the principal appointment go outside the county when one of our own citizenry should have had the job.

It is true that Keenan himself became United States marshal, a police job, but later resigned. Did he try to keep this position in this county? No; he permitted it to go outside despite the excellent showing this county gave the ticket in 1932 and 1934. Keenan then took a higher salaried job with the State administration as member of the workmen's compensation board and later resigned to take an appointment as common pleas judge—an office which he sought as an elective candidate and for which the Democratic voters repudiated him at the primary election. After resigning as a member of the compensation board he permitted that job to get away from the Democrats of Westmoreland County.

With the splendid record the Westmoreland County Democrats have, Keenan has not been able to get a job in the State cabinet, or any other recognition which this county deserves, other than regular jobs which belong to the county—but no major offices.

In fact, he let several good positions that had been held by county residents during the Republican administration go into other districts. The most important among these was secretary of mines, formerly held by Walter H. Glasgow, of Scottsdale, a significant office to be held by a resident of the county. Keenan also failed to retain for the Democrats the position of inspector in the department of labor and industry which was formerly held during the Republican administration by Earl Gilchrist, of Scottsdale.

The net result of Keenan's political management of patronage is that of getting himself his three jobs. The fact that he took care of himself first and last illustrates the type of man he is—full of avarice, greed, and selfishness.

And so, let's see what Czar Keenan has up his sleeve for 1936. He is moving forward with his characteristic pretense. He has slated a Westmoreland County businessman who up to 1933 was a Republican, and who debated and admittedly supported and voted for Herbert Hoover in 1932, to become what he calls the Democratic organization's candidate for Representative in Congress in 1936. It would be interesting, if it were possible, to note the reaction of the old line of Democrats, who have all passed on, such as Henry Ackerman, Silas Kline, John B. Keenan, J. R. Spiegel, James M. Laird, Van Buren Laird, Buck Howell, Tommy Martin, Hon. Lucien W. Doty, Peter McCann, Hon. Curtis H. Gregg, J. Q. Truxall, Clark Gadd, and hundreds of others, to Chairman Keenan's wizardry and temerity in selecting a 1932 Hoover Republican, converting and placing him on a Democratic pedestal as a dyed-in-the-wool Roosevelt Democrat, and brazenly telling the Democrats of Westmoreland County that they must vote for his personally chosen candidate. Mr. Robert Allen is that candidate. I have nothing personal against Mr. Allen other than the fact that he is permitting himself to become the pawn of this self-seeking, would-be political dictator.

Mr. Allen was selected by Mr. Keenan as W. P. A. manager when the work-relief program was instituted. This job was merely a curtain-raiser for the 1936 campaign, because it was intended that Allen would run for Congress. Mr. Allen came here a very few years ago from rock-ribbed Republican Vermont. He came here as a sales manager employed by a corporation whose policies have been consistently against the humanitarian program of President Roosevelt. If this county were in the South, Mr. Allen would be called a "carpetbagger." I do not challenge the right of Mr. Allen on his own responsibility to seek public office, but I do think he should be a candidate on his own merits rather than as a pawn of a self-appointed political dictator whose aim is to rule or ruin the Democratic Party in Westmoreland County.

Do you see Keenan's game? If Allen were nominated and elected, he would be obligated to do Keenan's bidding. He would be nothing more than a political puppet. Keenan would be the real boss. Keenan is jealous of what prerogatives and limited patronage a Member of Congress has, and wants to grab that in addition to his other control over local patronage. If Allen were nominated and defeated in the fall election and President Roosevelt were reelected, Keenan would then be in the position of dominating Federal patronage. He would be in the saddle. And, as I have said before, it's heads Keenan wins, tails the other fellow loses. But if the Keenan candidate wins the nomination, the Democratic Party of Westmoreland County loses, because it will be sacrificing its right of choice by ballot for the dictates of a greedy and ambitious political despot.

With that power he would not only be dispensing county, State, and Federal patronage but he would be in the position of saying who would be allowed to run in the primary election and who should not, as he is trying to do now.

In this connection, I should mention that I have supported to the letter the legislation making possible the work-relief program of the President. I have done everything possible to bring new opportunities and new hopes to the unemployed and the unfortunate of this district. So it seems queer indeed to have the would-be one-man Democratic organization of this county use the humanitarian work program to satisfy his ego and therefore sacrifice a Member of Congress who helped bring this program to Westmoreland County.

I might make this observation at this point that Keenan did call a meeting of Democrats of the county to meet in Jeannette to select candidates. He knew those called to be 90 percent favorable toward him. I understand that the group at that meet-

ing voted almost unanimously to oppose my candidacy—the purpose, to be sure, for which the meeting was called. But in order to prolong the farce a committee of nine was appointed from that group to interview the different candidates. The committee of nine meeting was held and I attended and made my statement along with the other candidates. Keenan's candidate, Mr. Allen, did not appear. This unofficial committee made up of Keenan's friends made their report that no candidate should be endorsed for Congress. What did Keenan do with the report? He threw it out of the window, ordered other candidates to step aside, indicated that he was the Democratic organization and that he wanted Allen as his candidate. Democrats remember the State committee members and the county committee have never been called to meet and were not consulted. Four hundred and seventy county committee members and the State committee were completely ignored by Keenan in his selection of a candidate.

Work-relief legislation, like other legislation, is a matter which demands the trust and responsibilities of public office imposed upon Members of Congress. Legislation for alleviating poverty and misfortune is particularly a sacred obligation by the Members of Congress to their constituents. Of all the thousands of persons in relief positions in Westmoreland County, I have not recommended the employment of more than half a dozen persons for positions, and they were on relief and eligible. I challenge anyone to disprove this statement.

I believe the relief workers employed by the W. P. A. will give their Representative in Congress, who helped formulate and make possible the work-relief legislation, their support. I believe their support will go to the Member of Congress instead of to the candidate of the man who arrogantly in charge of the works program, after it had become a reality, tried to build a political machine on the misfortunes and sufferings of his fellow men.

I should like to quote from a letter written by Harold T. Ryan, member of the Democratic county committee. This letter brings to public attention Keenan's disgraceful conduct in trying to use the W. P. A. for political purposes.

I shall quote from a letter written by Mr. Ryan to Mr. Allen, and which was a part of the letter sent to the editor of the Greensburg Tribune Review. Mr. Ryan said, in writing to Allen:

"In the past few days several matters have come to my attention which I find it difficult to believe. I am informed that your petitions were passed around among W. P. A. employees. I also learned that you counted on a nucleus of 9,000 votes among the W. P. A. workers. Surely you can see such implications are proper issue upon which the opposition can build.

"Finally, have you taken into consideration that our elected representative in Washington was the means whereby our county expressed its approval of W. P. A. and secured it? That the individual appointed to administer W. P. A. in the county should use it as a stepping stone to oppose the elected representative who gave us the organization cannot help but react upon the sense of humor of the citizens."

The letter speaks for itself. That is the record of Keenan. It reeks. It smells. It is offensive to every right-thinking Democrat. It is repulsive. It is disappointing. It is shocking to every Democrat with a sense of decency and fair play. That's the Keenan record.

Every voter in Westmoreland County has a right to know my record. My record is found in the pages which set forth the proceedings of the Congress of the United States since I have been a Member of that body. But I will summarize briefly so that all may know how I stand. Here is my record:

In all, there have been 46 major pieces of legislation introduced and passed by the Seventy-third and Seventy-fourth Congresses, all bearing the stamp and approval of President Roosevelt. Of these 46 measures I have voted for every one, and I challenge any one of my political opponents to disprove this statement.

Veterans: I have supported veterans' legislation all the way down the line. Thousands of letters of commendation from veterans of this district confirm the story. A letter from Congressman WRIGHT PATMAN, leader of the veterans' bloc, and National Commander Ray Murphy, of the American Legion, tells the same story.

Labor: I have supported work-relief measures and I have lent every effort to legislation which will wipe out unemployment. Letters from laboring people of this district confirm my statement, as well as a letter from Congressman WILLIAM P. CONNERY, leader of the labor group in the House of Representatives.

Old-age pensions: I went down the line of the President's social-security program to provide a workable plan of pensions and social insurance.

Farm relief: I have always supported farm legislation which would lift the purchasing power of the farmer.

Youth: I supported the C. C. C. measure, which has been a godsend to many thousands of young men and their families throughout this country.

Investors: I voted against the "death sentence" clause because I thought it an unfair attack on the investing public. I voted for the final bill, which was sponsored by the administration, which gives adequate control over public utilities.

I could elaborate on my voting record, but it is set forth in the public proceedings in the United States Congress. I shall go into more detailed discussion of my stand on matters of legislation in subsequent speeches in the campaign. I challenge anyone to look into my record and say that I did not stand for the best interests of the people of this district.

But Keenan, with his usual greed and selfish ambition, will attack me. He will use the weapons of the treacherous. He will be unfair. He will defame. He will vilify. He will try to mislead. He never would stick to facts. He will try to cover up some of his own record in an effort to discredit another's.

He will mention that old threadbare charge long ago forgotten by Westmoreland County Democrats that I failed to attend a victory dinner in 1932.

He will mention a framed spite lawsuit instituted only in an attempt to embarrass me politically.

He will say that I have had relatives on the Government pay roll. I have secured a job for a daughter, but what father would not if he has any feeling or regard for his family? But who is Keenan to charge me with nepotism, when he has, I am informed, 14 relatives on the public pay rolls; that is nepotism gone wild.

They will say that I left the President on the "death sentence" in the public utilities legislation. I had permission of the leadership of the House when I made that vote. The Democratic platform of 1932 said:

"Regulation to the full extent of Federal power of:

"(a) Holding companies which sell securities in interstate commerce.

"(b) Rates of utility companies operating across State lines.

"(c) Exchanges in securities and commodities."

That is the first reason I voted against the "death clause." Secondly, I felt that such stringent requirements would impoverish many and deprive the helpless, the aged, and others of their life savings which had been invested in stocks. Third, I had more than 10,000 letters from reputable Westmoreland County citizens, many of whom I personally know, urging me to vote against that clause. As I have said before, I did vote for the bill as finally drafted, because I felt certain that it was consistent with the party platform and did effectively regulate public utilities with an iron hand.

Others will criticize me for consistently supporting veterans' legislation. But at all times I have voted for legislation which seeks to do justice for the veterans. I have no apologies to make for my record in this respect.

It will be said that I did not favor the Guffey-Snyder coal bill, and that I did not favor legislation for the farmers. A booklet which will be placed in your hands in the near future will contain photostatic copies of letters from leaders in the House of Representatives and from chairmen of important committees endorsing my record and telling the Democrats of this county how I have supported legislation in behalf of the miners, the laborers, the farmers, the veterans, the sportsman, and other groups of constituents.

That is my record, and I have just given you a prediction of the unfair attacks which will be made against me.

While I am discussing the campaign issues in Westmoreland County, I would digress briefly on a subject with which some of you are doubtless familiar.

I am told of the amusing antics of one of our very important (in his own vain opinion) editors of a weekly paper published here in Greensburg. This editor takes great delight in linking my name and my candidacy with other popular, reputable, high-class, clean-living gentlemen. If this be true, I am highly honored, as you are usually judged by the company you keep. The old "saw", "Birds of a feather flock together"—and I further wish to say to you, my Democratic friends, I am pleased to be associated with and to be called "friend" by the gentlemen whose standing this would-be character assassin tries to besmirch. But I am fearful that in his wild rantings of the last few years his attacks have been made on too many respectable men and women in this community, directly or with deceitful innuendos. Thus, his standing in his community and in the county has gone to such a low ebb that decent people resent his many untruthful attacks and unfair statements and refuse further to read his paper. Many others, wishing to be amused and with the common thought "Who is he after now?", read his yellow Tory sheet. This editor has shifted his position and his attack on individuals as often as the moon has changed in the last 4 years.

It might be interesting reading to many of the bituminous coal miners who happen upon his writings if he should tell them of his activities in the coal miner strikes in more than the 25 years he served as superintendent of the Keystone Coal Co. at the Haydenville mine. At that time he was known as a political spy for the Republican Party, part of the time under the command of Harry F. Bovard, a sagacious leader. Any interested person can get his labor record from any old-time miner in the Haydenville district. That record evidently was known to the labor vote of Westmoreland County, as shown by the votes given this editor when he was a candidate at the Democratic primary election last year against Leonard B. Keck, now county controller, and I might say that the reason this editor is now opposing me is due to the fact that I supported the very efficient, capable, official who is now serving as county controller, and I was one of the first persons who suggested to Len Keck that he should be a candidate. This editor, who opposed Keck, made the statement to me, "If he could not beat that dumb Dutchman (meaning Keck) he would never be heard of again in politics." And, in amazement, I am told that he is again asking the Democratic voters to nominate him at the coming primary election as a candidate of the Democratic Party for legislature.

A former Democrat once said in many of his speeches, "Let's look at the record." Let's see what this editor and his paper have stood for. In the beginning, he was financed, the paper

started and given to him by the very people he is now so viciously attacking. To further show his instability I am told that he insisted on, and helped to sponsor the candidacy of his then friend, Willis Ruffner, to oppose me in the coming primary. After less than 4 weeks, he has now turned against Mr. Ruffner, and is supporting Mr. Allen, and it is a fair wager that he may switch to any other candidate before the end of the campaign.

Many Democratic voters will remember his attacks on Chairman Keenan just before the 1935 primary election when a slate was made by Keenan. Now, why this sudden love and admiration for Keenan and his slated candidates in 1936? The voters may again penetrate his disguise and ascertain his reasons.

In his vicious moments he has attacked the clergy, the courts, the city council, the mayor, commissioners, the poor board, and many reputable citizens of this community. It would take more time than I have at my command to recite the vilifying history of his paper, and for what reason? Only one—to endeavor to please someone in power that he might receive lucrative public printing and a soft job for himself—a job without work.

My friends, I will at no future time discuss this person or his vilifying sheet. Sufficient to say that on two occasions in which he has been a candidate the Democratic voters have visualized behind his mask of deceit. The American people admire decency, honesty, sincerity, loyalty, and above all truthfulness. "Doc" Null, the editor of the Observer, cannot claim credit with having any one of these attributes so admirable in decent citizenship.

The contest, ladies and gentlemen, therefore is between two records—one that of unselfish support of the President attested to by his leaders in Congress and by the many thousands of letters from constituents which my office makes reply to within 24 hours after their receipt. The other record is that of Keenan—a selfish, self-appointed, political would-be dictator, who has attempted to take the mantle of Roosevelt and who is now attempting to use a supporter of Hoover in 1932 to defeat your Representative in Congress just in order to satisfy his own greed and ambition. You be the judge. Yours is the verdict.

AMERICANISM PREVAILED OVER COMMUNISM

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to print a report adopted by a resolution passed by the Federation of Citizens' Associations in Washington, consisting of 63 organizations.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BLANTON. Mr. Speaker, last year the Congress of the United States passed a law to prevent the indoctrination of communism in the public schools of Washington, D. C. That law took effect July 1, 1935. It is permanent law now. The superintendent of schools, Dr. Frank W. Ballou, did not like this law. He claimed that it infringed on his academic freedom, which he wanted unhampered and unrestricted. He claimed that because the law said teachers shall not teach or advocate communism, it prevented factual instruction. He raised so much fuss about it that the board of education called on the Corporation Counsel, Mr. Prettyman, for an opinion. Dr. Ballou seemed to forget that the words "teach" and "advocate" are synonymous, for Webster's Unabridged Dictionary says that "to teach" means "to advocate", and that "to advocate" means "to teach."

Corporation Counsel Prettyman rendered his opinion that the law did not prevent any teacher from expounding the evils and unsoundness of communism, but did prevent teachers from trying to indoctrinate communism.

When Dr. Frank W. Ballou, our \$10,000-a-year superintendent, who on the side has been spending much of his time serving as secretary to \$300,000 5-year commissions, and delivering lectures for honorariums and expenses, learned that he was prohibited from having his 2,900 teachers from teaching anything but sound American doctrines, he rebelled, and still contended that his academic freedom was being interfered with, and he refused to instruct his teachers that they must obey the law.

Under the circumstances the Comptroller General of the United States, who is the head of the General Accounting Office, and whose duty it is to require all public money to be paid out in strict accordance with the law, required the teachers to make affidavit that they had not violated this law before he would allow them to draw their money.

Dr. Frank W. Ballou was advised that if he did not like the affidavits he could very easily get rid of them, for if he would issue a short order that his teachers must obey the law as construed by Corporation Council Prettyman, which gave them the right to teach the evils and unsoundness of communism but prevented them from trying to in-

doctrinate communism, that Comptroller General McCarl would withdraw his order and not require the affidavits. But Dr. Ballou refused to accept the proposal. He insisted on exercising his academic freedom and of being allowed to teach what he pleased. And he proceeded to incite henchmen to action.

The radicals in Washington immediately began to howl. They wanted academic freedom. The Communists in Washington began to howl and to froth at the mouth. They wanted their academic freedom. They wanted their free speech. They wanted to expound factual instruction. They did not want any ignorant majority to control them. They immediately got the ear of the "yellow" sheets, the "pink" sheets, the "red" sheets, and the subsidized sheets, which proceeded to fill their columns with clamoring demands for free speech and factual instruction and academic freedom.

The gentleman from New York [Mr. Sisson] who for years was a member of his home board of education, who is not a member of the District Legislative Committee, is not a member of the District Appropriation Committee, and is not a member of the Committee on Education, nevertheless saw fit on January 20, 1936, to introduce a bill (H. R. 10391) to make more effective the law against advocating communism in the District of Columbia, which specifically provided that teachers could give instruction concerning the political, economic, or social system of any country.

That did not suit Dr. Frank W. Ballou. That did not suit his Board of Education. That did not suit the "pink" sheets, the "red" sheets, or the subsidized sheets. It did not suit the radicals. It did not suit the Communists. They wanted their academic freedom. They cried for it. They bawled for it. They howled for it. They clamored for it. They insisted that they would have nothing less. They wanted all law repealed. They wanted no law. They wanted to be free to do what they pleased, to teach what they pleased, to indoctrinate what they pleased, and they did not want any ignorant majority to exercise any control whatsoever over them.

So on February 21, 1936, the gentleman from New York [Mr. Sisson] introduced his new bill (H. R. 11375) to repeal outright the law that prevents indoctrinating communism in the Washington public schools.

This new repeal bill pleases Dr. Frank W. Ballou. It pleases the Board of Education. It pleases the "pink" sheets. It pleases the "red" sheets. It pleases the subsidized sheets. It pleases the radicals. It pleases the Communists. They all want it. They all cry for it. They all bawl for it. They all clamor for it.

BUT WASHINGTON PEOPLE DO NOT WANT THE SISSON BILLS

In the District of Columbia there are many different associations of citizens. There are 63 different citizens' associations which have banded themselves together in what is known as the Federation of Citizens Associations. For months this Federation of Citizens' Associations has had a committee working zealously to keep communism out of the Washington schools. This committee has been against both of the Sisson bills. It opposed the two Sisson bills at the hearing before the subcommittee handling them.

FIGHT MADE ON FEDERATION COMMITTEE

Dr. Frank W. Ballou and his Board of Education and those helping them in trying to preserve his do-what-he-pleases academic freedom have been so very influential, aided by the pink press, the red press, and the subsidized press, that they caused a vicious fight to be made upon the committee of the Federated Citizens' Associations, thinking that if the committee could be destroyed they would win their fight. The facts were daily misrepresented. The people were told daily that teachers could not even mention Russia. The people were told that if a child asked about Russia the teacher would be compelled to say, "Hush; we cannot mention that subject"; and other claims were made just as ridiculous. Pink teachers from other places were induced to send telegrams demanding do-as-you-please academic freedom. Outside red teachers sent many propaganda telegrams urging the passage of the last repeal Sisson bill. Under such fire and the

influence of such propaganda, several of the 63 citizens' associations voted to endorse the repeal Sisson bill, and one or two tried to repudiate the committee of the federation.

SHOWDOWN CAME LAST SATURDAY NIGHT

There was called for last Saturday night a meeting of the Federation of Citizens' Associations, for the express purpose of acting on the report of said federation's committee. A special effort was made to have present every friend of Dr. Frank W. Ballou, every friend of the board of education, every advocate of the Sisson repeal bill, and every enemy of the law that stopped communism in the Washington schools, for the express purpose of trying to table the federation's committee report and of endorsing, if possible, the Sisson repeal bill.

MOTION TO TABLE COMMITTEE REPORT FAILED

As soon as the meeting was ready for business a Hebrew, named Wender, moved to table the report of the federation's committee. By a vote of over 2 to 1, his motion failed.

MOTION TO ENDORSE SISSON BILL FAILED

Then a motion was made to endorse the Sisson repeal bill. By a vote of over 2 to 1, that motion failed.

MEETING ADOPTED REPORT OF COMMITTEE OF FEDERATION OF CITIZENS' ASSOCIATIONS

Then, by a vote of over 2 to 1, the meeting of the Federation of Citizens' Associations of the District of Columbia adopted its committee report, which is the following, to wit:

Committee report approved and adopted March 28, 1936, by Federation of Citizens' Associations of the District of Columbia, immediately following the voting down by it of a proposed substitute motion to endorse the Sisson repeal bill, H. R. 11375

MARCH 28, 1936.

To the Federation of Citizens Associations, District of Columbia:

The last report of this special committee, dated January 4, 1936, was approved by the federation, and resolutions were adopted on that date describing "existing conditions" in the Public Schools of this District as "favorable to subversive, antipatriotic, and communistic propaganda", and expressly declaring that "the recent action of the Board of Education makes it imperative that the Congress of the United States shall be appealed to without delay to provide an effectual remedy and one which will be so thorough that there can be no danger of a recurrence of existing conditions." This special committee has made appeal to the Congress as so directed by the federation, the subject matter being presented to the Senate and House District Committees, and also to the House Appropriations Committee.

The Subcommittee on the District of Columbia of the House Appropriations Committee conducted a thorough investigation into this subject matter. The entire subcommittee of five members participated actively in the investigation, and went to original sources for their data. Books and magazines, etc., in use with pupils in the public schools were carefully studied by said subcommittee, with such books, magazines, etc., actually before them for weeks; and the printed hearings show that the subcommittee found an abundance of antipatriotic and procommunistic matter, and also matter tending to seriously affect and undermine fundamental morals of the pupils in the matter of sexual relations. The destruction of sexual morality is well known, of course, to be one of the aims and purposes of communism. The Superintendent of Schools, the head of the history department in the high schools, and the editor of Scholastic Magazine, were heard before said subcommittee, and disclosed no possible excuse or justification for the conditions against which this Federation has complained, and which are now admitted to have been going on for a number of years. In fact, the report of the House Appropriations Committee of March 3, 1936, expressly states (p. 9): "The subcommittee was of the unanimous opinion that the Board of Education should take immediate steps to eliminate from the public schools all communistic books and magazines."

On February 25, 1936, the Subcommittee on Education of the House District Committee began hearings respecting this same subject matter, the hearings coming on upon two bills introduced by Congressman Sisson, of New York, namely:

1. H. R. 10391 (Introduced Jan. 20, 1936) entitled "A bill to make more effective the law against advocating communism in the District of Columbia, and for other purposes."
2. H. R. 11375 (Introduced Feb. 21, 1936) entitled "A bill to repeal a proviso relating to teaching or advocating communism in the public schools of the District of Columbia, and appearing in the District of Columbia Appropriation Act for the fiscal year ending June 30, 1936."

On March 2, 1936, this special committee of the federation presented to said subcommittee on education copies of the five resolutions adopted by the Federation itself, and its executive committee, relating to this subject matter, namely:

1. Resolution adopted by the federation March 16, 1935, advocating a rider upon the then pending District of Columbia appropriation bill, in view of the disclosure that Dr. Charters (shown to be on the advisory board of Communistic Moscow University,

summer school), was being employed for character education in the District of Columbia public schools.

2. Resolution adopted by the executive committee November 12, 1935, providing for the creation of this special committee and the taking of steps to eliminate textbooks in the District of Columbia public schools containing communistic propaganda and secure for the pupils instead "a clear and informative definition of communism and its evil and atrocious aims and purposes."

3. Further resolution adopted by the executive committee December 3, 1935, directing this special committee to extend its work to cover periodicals as well as textbooks.

4. Resolution adopted by the federation December 7, 1935, approving and endorsing the aforesaid actions by the executive committee.

5. Resolutions adopted by the federation January 4, 1936, advocating an immediate appeal to Congress to provide "an effectual remedy and one which will be so thorough that there can be no danger of a recurrence of existing conditions."

In support of these resolutions said subcommittee had called to its attention the precise data which had been revealed by this special committee showing the intolerable conditions going on in the District of Columbia public schools for a number of years. In fact, said subcommittee had the benefit of the then physical production before it by this special committee of books, magazines, etc., to enable it to verify from original sources the truth or falsity of the conditions as found by this special committee. However, said subcommittee failed to take advantage of the opportunity thus afforded it, apparently taking the position that it was not its province to ascertain what conditions in the District of Columbia public schools need congressional action to correct same, nor to recommend appropriate corrective legislation in making its report, but that it should limit itself strictly to favoring or opposing the aforesaid Sisson bills or one of them. If this is the position of said subcommittee, it is certainly an anomalous and unsound one, it being the plain duty of the House District Committee to deal with the subject matter in a practical and constructive way as to what legislation is appropriate and adequate.

Your special committee has carefully considered all of the foregoing and recommends that the federation deal specifically with the following issues which have been raised.

1. So-called academic freedom: We recommend that the Federation reject as fundamentally unsound the proposition advanced by Congressman Sisson and by the Board of Education that it is an invasion of the rights of the school authorities for Congress to direct, regulate, or control any features of the curriculum in the public schools. No one has been able to suggest wherein this proposition has any foundation in American institutions; exclusive legislation for the District of Columbia is vested by the Constitution in the Congress, and the school authorities are public servants obligated to respect and obey such legislation. It should be noted in this connection that as early as 1886 (act of May 20, 1886 (24 Stat. L. 69)), Congress upheld its jurisdiction, not only in the public schools of the District of Columbia but in schools everywhere else subject to the jurisdiction of the Federal Government, by expressly requiring "the nature of alcoholic drinks and narcotics, and special instruction as to their effects upon the human system" to be taught, and to require removal from office of anyone failing or neglecting to comply with such requirement.

2. Legislation requiring pupils to be acquainted with evil aims and effects of communism and other un-American doctrines: Since Congress has the undoubted power to require pupils to be acquainted with the harmful effects of alcohol and narcotics, which affect the individual only directly, and the Nation indirectly, how can anyone seriously question the power of Congress to require that pupils in the public schools of the District of Columbia shall be made acquainted with the evil aims and effects of communism and other un-American doctrine, which affect both the Nation and the individual directly? This special committee recommends that the federation advocate the immediate passage of legislation to this effect, with means for enforcement similar to what is provided for in the aforesaid act of 1886, and with specific requirement that all such subversive doctrines be expressly denounced to the pupils in all textbooks or other data or explanation used with the pupils referring to such doctrines. This is in accord with the uniform position taken by this federation at all times. Not only has the federation at no time objected to pupils in the public schools being made so acquainted, but it has insisted at all times upon the pupils being made so acquainted for their own protection; in other words, that the truth, and not half truths, shall be told the pupils about and against communism and that it is inherently impossible to tell them the truth about communism without teaching against communism and denouncing it as a world revolution conspiracy seeking destruction by force and violence of all nations and practically every vestige of civilization.

3. Repeal of clause as to communism contained in District of Columbia appropriation bill of June 14, 1935: This special committee recommends to the federation that it advocate such repeal just as soon as legislation of the character set forth in the preceding paragraph has been enacted. In so recommending, this committee feels that the emergency purpose of said clause will then no longer exist, and the subject matter will be better and more effectually taken care of by such substitute legislation. The federation should make no apologies to anyone for the emergency protective resolution adopted by it March 16, 1935, on this subject,

the matter being brought up first by then President Yaden, who accepted a substitute offered by Delegate Suter.

4. Withdrawal of requirement for monthly affidavits. This special committee further recommends that this federation also advocate the withdrawal of the requirement for monthly affidavits in any event immediately upon the enactment of the substitute legislation hereinbefore proposed, and, even before such enactment, immediately upon the school authorities acceding to the reasonable demand of Congress that there shall be no teaching about communism which does not teach against and denounce it. As a matter of fact, the clause against communism in the aforesaid District of Columbia appropriation bill of June 14, 1935, does not require any monthly or other affidavits; and it was not until December 1, 1935, that the Comptroller General decided to make such requirement, and then only because it became apparent that the school authorities would not accede to the reasonable demand of Congress (inherently necessary) that no teaching about communism could take place which did not actually teach against and denounce it.

GEO. E. SULLIVAN, *Chairman*,
HARRY N. STULL,
MRS. GEORGE CORBIN,
MRS. HORACE J. PHELPS,

*Special Committee on Elimination of Communistic, etc.,
Matter from District of Columbia Public Schools.*

Mr. Speaker, on last Saturday night in Washington, D. C., Americanism prevailed over communism. The "pinks" and the "reds" were put to route. It was a great victory for our institutions, our Constitution, and our Government.

The time has come when we must stop communism. The time has come when we must put communism out of our country. The time has come when we Democrats must weed all "pinks" and "reds" out of our Government. I have lowered my visor. I have unsheathed my sword. I have entered the lists. I am at war to the finish against all Communists and subversive enemies of good government.

FLOOD CONTROL

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing resolutions passed at a meeting of the Ohio Valley Conservation and Flood Control Congress at Huntington, W. Va., March 24, 1936.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SPENCE. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following:

Resolution

Whereas the Ohio Valley is now being visited by another flood disaster, which might have been averted to a marked degree by the completion of a comprehensive system of source stream-control reservoirs, as has been previously proposed by various organizations in the Ohio Valley; and

Whereas the present flow has caused damage to the extent of at least \$200,000,000 in the Ohio Valley; and

Whereas a comprehensive system of source stream-control reservoirs could have been built for not to exceed \$211,000,000;

We therefore request that, without further delay, the following measures be carried out by proper action and appropriations by the Congress of the United States:

That an appropriation of sufficient funds be made by Congress to permit the Board of Army Engineers to make a comprehensive and detailed survey of the 39 reservoirs, their equivalent, or such a number of these reservoirs as have not been previously surveyed by the Board, which reservoirs were included in Survey Report No. 308, Plan No. 4, Sixty-eighth Congress, second session, as the plan for the ultimate development in the Ohio Valley east of Cincinnati.

It is further requested that appropriations for construction be made by the United States Government as rapidly as the individual projects are approved by the Board of Army Engineers.

"It is estimated that should these 39 reservoirs, their equivalent, or a major portion of them be constructed, material damage and loss of life resulting from future floods in the Ohio Valley would be greatly reduced.

"In the Survey Report No. 308 hereinbefore mentioned it is estimated that the construction of these 39 reservoirs, their equivalent, or a major portion of them will reduce the crest of most floods in the Ohio Valley between Pittsburgh and Cincinnati approximately 8 feet, and a lesser amount from Cincinnati to Cairo, and during certain floods would reduce the crest in the Mississippi River itself below Cairo as much as 2 feet."

Whereas an appropriation of \$364,000 has previously been made by Congress for specification, foundation, exploration, surveys, aerial maps, etc., for the Bluestone Dam on New River, in West Virginia, and \$800,000 has been appropriated by Congress to be used toward the purchase of land which will be inundated by this dam, and

Whereas the construction of this dam will markedly reduce the crest of any floods in the Kanawha Valley, and to a lesser degree reduce the crest of floods in the Ohio Valley, and

Whereas the use of this dam and the ability to render constant flow through its use will mitigate the effects of pollution through dilution in the Kanawha River and Ohio,

We therefore request that the Congress of the United States appropriate at this time sufficient funds to complete construction of this dam.

RECONSTRUCTION FINANCE CORPORATION

Mr. O'CONNOR, chairman of the Committee on Rules, presented a privileged report from that committee on H. R. 11968, as follows, which was referred to the House Calendar and ordered printed.

House Resolution 470

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11968, "A bill relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes." That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend, with or without instructions.

PROTECT AMERICA

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a radio address delivered by myself.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. STEFAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me on March 27, 1936:

The existence of the independent retailer in the United States is threatened by inroads made by the gigantic chain-store organizations. However, one bright hope is held out to him in the Robinson-Patman bill, which the House will vote on during this session. This bill prohibits the payment of brokerage or commission under certain conditions, suppresses pseudo-advertising allowances, protects the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors.

Thousands of independent merchants who were at one time successful, are today numbered among the 12,000,000 unemployed people of our country; yet the footprints of their service toward their community, can be traced back over American history in community building. The history of these independent merchants is a tragic one. They were among those who, in the early days, eliminated the lawless elements who obstructed the progress in the building of communities, villages, towns, and cities.

The service of these independent merchants can be traced to their support of farm organizations, of community clubs, of schools, churches, fire departments, police departments, street improvements, lighting, community chests, and the charitable organizations.

The community in trouble found refuge, in years gone by, in the generosity and assistance given by the independent merchants. Small hamlets and towns grew to big cities and became prosperous. Then came the advent of the great chains. Great financial organizations saw the profit-making possibilities in mass purchases. With their efficiency experts and great financial backing, it is possible for them to demand lower prices; to secure rebates and discounts.

Their operations began in large cities and slowly extended into the rural communities and towns and villages of the Nation. These loans and discounts and pseudo-advertising allowances were the weapons for their own distribution systems.

The independent dealer, struggling desperately with old and tried methods, and through local friendship and service, endeavored to compete, only to find that the community which he had put upon its feet and made to progress was eventually turned over to a powerful organization whose interests were not in the progress of the community but in the turnover of merchandise, which in many cases comes from the mills in which slave labor is employed.

With their mass production and powerful financial backing, with their loans and discounts and rebates, plus the advantages of slave labor, these gigantic organizations swept over our land like locusts, with the result that many independent merchants, whose history can be traced to the very founding of the community, are in the army of unemployed, and in most cases through no fault of their own.

Preserving the American market for the American farmer links itself closely to the need of preserving the American market for the American merchant. It not only links itself closely to con-

ditions prevailing in our country today, notwithstanding the expending of billions of dollars to keep men and women happy by furnishing them employment, at the expense of the American taxpayer, but the question links itself closely to the envious determination of industrialists and capitalists in foreign lands to capture not only the market of the American farmer but the market of the American merchant and the American manufacturer.

It is a question of exploitation of American capitalists, of slave labor in foreign countries at the expense of the army of unemployed workers in America. The American capitalists, closely connected to these gigantic chain-store organizations with tremendous financial interests in foreign lands, are closely connected with this problem, and unless it is solved, the efforts of the American people to maintain the high standard of American living will be futile.

American ships, subsidized by the American taxpayers, bring tons upon tons of manufactured merchandise into our land to be distributed through the medium of chain organizations, and find their way into the homes of the American consumers, whose very existence depends upon the success of the American farmer and the American merchants. This merchandise, manufactured by poorly paid men, women, and children in foreign countries, comes in direct competition with merchandise which can be manufactured by the army of unemployed in our land.

American and foreign ships, many of them subsidized, bring to our shores millions of gallons of foreign-grown coconut oil, to come in direct competition with the products from American farms.

American ships, subsidized by the taxpayers of America, bring tons of merchandise to our land from foreign shores, from foreign factories where men and women work at low wages, to come in direct competition with the workers in American factories where the wages are based on the high standard of American living. Blackstrap molasses by the millions of gallons is coming into our land on ships to come in direct competition with the products of the American farmers and American industry who are entitled to the American market.

Gigantic organizations who are exploiting the slave labor of foreign lands to manufacture merchandise to come into our land in direct competition with the American laboring man, do not hesitate in an effort to exploit Federal funds to gain the cheap labor of Americans in order that their products and their organizations can successfully eliminate the competition of the independent merchant.

With billions of dollars already expended in an effort by our Government to keep millions of people employed, with 12,000,000 still unemployed, with thousands upon thousands of young men and women coming out of our schools and universities, with nothing and no jobs and no hopes to apply their education because there are no jobs, with the President of the United States asking Congress for a billion and a half more money to furnish more employment, with \$500,000,000 authorized to prevent soil erosion and a crop-control program in America by taking out 30,000,000 acres of land from production, the question becomes one of American charity, and charity begins at home.

The American farmer, who is the real customer of the American industrialists, must be given an opportunity to make a living. The American laboring man, who has a right to believe in the promises that the American standard of living will be a job for him in order that he can support his family and those who depend upon him, must be protected against the inroads of foreign-manufactured merchandise. The independent merchant, who through the years has been the very foundation of his community, must be protected against unfair competition and exploitation by the great chain organizations. Unless he is given that protection the few independent merchants who still remain in their old communities struggling for their very existence will be but a memory and the money collected by the agents of these great chains in the communities of America will continue to flow into the coffers of great financiers to be invested in foreign-made manufactured goods and foreign-produced farm products.

It is therefore those who have the interest of the Americans at heart who are hoping for the successful passage of the Robinson-Patman bill in this last session of the Seventy-fourth Congress.

IMPEACHMENT OF JUDGE RITTER

Mr. SUMNERS of Texas. Mr. Speaker, I present a privileged resolution for immediate consideration, and, pending that, it might be that if I made a short explanation of the resolution it would relieve the necessity of reading it.

Mr. SNELL. I think the resolution should be read.

The Clerk read the resolution as follows:

House Resolution 471

Resolved, That the articles of impeachment heretofore adopted by the House of Representatives in and by House Resolution 422, House Calendar No. 279, be, and they are hereby, amended as follows:

Article III is amended so as to read as follows:

"ARTICLE III

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), making it unlawful for any judge appointed under the authority of the United States to exercise the profession or employment of counsel or attorney, or to be engaged in the practice of the law, in that after the employment of the law firm of Ritter and Rankin (which at the time of the appointment of Halsted L. Ritter to be judge of the United States District Court for the Southern District of Florida, was composed of Halsted L. Ritter and A. L. Rankin) in the case of *Trust Co. of Georgia and Robert G. Stephens, Trustee, v. Brazilian Court Building Corporation et al.*, no. 5704, in the Circuit Court of the Fifteenth Judicial Circuit of Florida, and after the fee of \$4,000 which had been agreed upon at the outset of said employment had been fully paid to the firm of Ritter and Rankin, and after Halsted L. Ritter had, on, to wit, February 15, 1929, become judge of the United States District Court for the Southern District of Florida, Judge Ritter on, to wit, March 11, 1929, wrote a letter to Charles A. Brodek, of counsel for Mulford Realty Corporation (the client which his former law firm had been representing in said litigation), stating that there had been much extra and unanticipated work in the case, that he was then a Federal judge; that his partner, A. L. Rankin, would carry through further proceedings in the case, but that he, Judge Ritter, would be consulted about the matter until the case was all closed up; and that 'this matter is one among very few which I am assuming to continue my interest in until finally closed up'; and stating specifically in said letter:

"I do not know whether any appeal will be taken in the case or not, but, if so, we hope to get Mr. Howard Paschal or some other person as receiver who will be amenable to our directions, and the hotel can be operated at a profit, of course, pending the appeal. We shall demand a very heavy supersedeas bond, which I doubt whether D'Esterre can give; and further that he was 'of course primarily interested in getting some money in the case', and that he thought '\$2,000 more by way of attorney's fees should be allowed'; and asked that he be communicated with direct about the matter, giving his post-office-box number. On, to wit, March 13, 1929, said Brodek replied favorably, and on March 30, 1929, a check of Brodek, Raphael, and Eisner, a law firm of New York City, representing Mulford Realty Corporation, in which Charles A. Brodek, senior member of the firm of Brodek, Raphael, and Eisner, was one of the directors, was drawn, payable to the order of 'Hon. Halsted L. Ritter' for \$2,000 and which was duly endorsed 'Hon. Halsted L. Ritter. H. L. Ritter' and was paid on, to wit, April 4, 1929, and the proceeds thereof were received and appropriated by Judge Ritter to his own individual use and benefit, without advising his said former partner that said \$2,000 had been received, without consulting with his former partner thereabout, and without the knowledge or consent of his said former partner, appropriated the entire amount thus solicited and received to the use and benefit of himself, the said Judge Ritter.

"At the time said letter was written by Judge Ritter and said \$2,000 received by him, Mulford Realty Corporation held and owned large interests in Florida real estate and citrus groves, and a large amount of securities of the Olympia Improvement Corporation, which was a company organized to develop and promote Olympia, Fla., said holdings being within the territorial jurisdiction of the United States district court, of which Judge Ritter was a judge from, to wit, February 15, 1929.

"After writing said letter of March 11, 1929, Judge Ritter further exercised the profession or employment of counsel or attorney, or engaged in the practice of the law, with relation to said case.

"Which acts of said judge were calculated to bring his office into disrepute, constitute a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), and constitute a high crime and misdemeanor within the meaning and intent of section 4 of article II of the Constitution of the United States.

"Wherefore, the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office."

By adding the following articles immediately after article III as amended:

"ARTICLE IV

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), making it unlawful for any judge appointed under the authority of the United States to exercise the profession or employment of counsel or attorney, or to be engaged in the practice of the law, in that Judge Ritter did exercise the profession or employment of counsel or attorney, or engage in the practice of the law, representing J. R. Francis, with relation to the Boca Raton matter and the segregation and saving of the interest of J. R. Francis therein, or in obtaining a deed or deeds to J. R. Francis from the Spanish River Land Co. to certain pieces of realty, and in the Edgewater Ocean Beach Development Co. matter for which services the said Judge Ritter received from the said J. R. Francis the sum of \$7,500.

"Which acts of said judge were calculated to bring his office into disrepute, constitute a violation of the law above recited,

and constitute a high crime and misdemeanor within the meaning and intent of section 4 of article II of the Constitution of the United States.

"Wherefore, the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office.

"ARTICLE V

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of violation of section 146 (b) of the Revenue Act of 1928, making it unlawful for any person willfully to attempt in any manner to evade or defeat the payment of the income tax levied in and by said Revenue Act of 1928, in that during the year 1929 said Judge Ritter received gross taxable income—over and above his salary as judge—to the amount of some \$12,000, yet paid no income tax thereon.

"Among the fees included in said gross taxable income for 1929 were the extra fee of \$2,000 solicited and received by Judge Ritter in the Brazilian Court case as described in article III, and the fee of \$7,500 received by Judge Ritter from J. R. Francis.

"Wherefore the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office.

"ARTICLE VI

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of violation of section 146 (b) of the Revenue Act of 1928, making it unlawful for any person willfully to attempt in any manner to evade or defeat the payment of the income tax levied in and by said Revenue Act of 1928, in that during the year 1930 the said Judge Ritter received gross taxable income—over and above his salary as judge—to the amount of, to wit, \$5,300, yet failed to report any part thereof in his income-tax return for the year 1930, and paid no income-tax thereon.

"Two thousand five hundred dollars of said gross taxable income for 1930 was that amount of cash paid Judge Ritter by A. L. Rankin on December 24, 1930, as described in article I.

"Wherefore the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office."

Original article IV is amended so as to read as follows:

"ARTICLE VII

"That the said Halsted L. Ritter, while holding the office of United States district judge for the southern district of Florida, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of misbehavior and of high crimes and misdemeanors in office in manner and form as follows, to wit:

"The reasonable and probable consequence of the actions or conduct of Halsted L. Ritter, hereunder specified or indicated in this article, since he became judge of said court, as an individual or as such judge, is to bring his court into scandal and disrepute, to the prejudice of said court and public confidence in the administration of justice therein, and to the prejudice of public respect for and confidence in the Federal judiciary, and to render him unfit to continue to serve as such judge:

"1. In that in the Florida Power Co. case (*Florida Power & Light Co. v. City of Miami et al.*, no. 1183-M-Eq.), which was a case wherein said judge had granted the complainant power company a temporary injunction restraining the enforcement of an ordinance of the city of Miami, which ordinance prescribed a reduction in the rates for electric current being charged in said city, said judge improperly appointed one Cary T. Hutchinson, who had long been associated with and employed by power and utility interests, special master in chancery in said suit, and refused to revoke his order so appointing said Hutchinson. Thereafter, when criticism of such action had become current in the city of Miami, and within 2 weeks after a resolution (H. Res. 163, 73d Cong.) had been agreed to in the House of Representatives of the Congress of the United States, authorizing and directing the Judiciary Committee thereof to investigate the official conduct of said judge and to make a report concerning said conduct to said House of Representatives, an arrangement was entered into with the city commissioners of the city of Miami or with the city attorney of said city by which the said city commissioners were to pass a resolution expressing faith and confidence in the integrity of said judge, and the said judge recuse himself as judge in said power suit. The said agreement was carried out by the parties thereto, and said judge, after the passage of such resolution, recused himself from sitting as judge in said power suit, thereby bartering his judicial authority in said case for a vote of confidence. Nevertheless, the succeeding judge allowed said Hutchinson as special master in chancery in said case a fee of \$5,000, although he performed little, if any, service as such, and in the order making such allowance recited: 'And it appearing to the court that a minimum fee of \$5,000 was approved by the court for the said Cary T. Hutchinson, special master in this cause.'

"2. In that in the Trust Company of Florida cases (*Illick v. Trust Co. of Florida et al.*, no. 1043-M-Eq., and *Edmunds Committee et al. v. Marion Mortgage Co. et al.*, no. 1124-M-Eq.), after the State Banking Department of Florida, through its comptroller, Hon. Ernest Amos, had closed the doors of the Trust Co. of Florida and appointed J. H. Therrell liquidator for said trust company, and had intervened in the said *Illick* case, said Judge Ritter wrongfully and erroneously refused to recognize the right of said State authority to administer the affairs of the said trust company and appointed Julian S. Eaton and Clark D. Stearns as receivers of the property of said trust company. On appeal the United States Circuit Court of Appeals for the Fifth Circuit reversed the said order or decree of Judge Ritter and ordered the said property surrendered to the State liquidator. Thereafter, on, to wit, September 12, 1932, there was filed in the United States District Court for the Southern District of Florida the *Edmunds Committee* case, supra. Marion Mortgage Co. was a subsidiary of the Trust Co. of Florida. Judge Ritter being absent from his district at the time of the filing of said case, an application for the appointment of receivers therein was presented to another judge of said district, namely, Hon. Alexander Akerman. Judge Ritter, however, prior to the appointment of such receivers, telegraphed Judge Akerman, requesting him to appoint the aforesaid Eaton and Stearns as receivers in said case, which appointments were made by Judge Akerman. Thereafter the United States Circuit Court of Appeals for the Fifth Circuit reversed the order of Judge Akerman, appointing said Eaton and Stearns as receivers in said case. In November 1932 J. H. Therrell, as liquidator, filed a bill of complaint in the Circuit Court of Dade County, Fla.—a court of the State of Florida—alleging that the various trust properties of the Trust Co. of Florida were burdensome to the liquidator to keep, and asking that the court appoint a succeeding trustee. Upon petition for removal of said cause from said State court into the United States District Court for the Southern District of Florida, Judge Ritter took jurisdiction, notwithstanding the previous rulings of the United States Circuit Court of Appeals above referred to, and again appointed the said Eaton and Stearns as the receivers of the said trust properties. In December 1932 the said Therrell surrendered all of the trust properties to said Eaton and Stearns as receivers, together with all records of the Trust Co. of Florida pertaining thereto. During the time said Eaton and Stearns, as such receivers, were in control of said trust properties Judge Ritter wrongfully and improperly approved their accounts without notice or opportunity for objection thereto to be heard. With the knowledge of Judge Ritter, said receivers appointed the sister-in-law of Judge Ritter, namely, Mrs. G. M. Wickard, who had had no previous hotel-management experience, to be manager of the Julia Tuttle Hotel and Apartment Building, one of said trust properties. On, to wit, January 1, 1933, Hon. J. M. Lee succeeded Hon. Ernest Amos as comptroller of the State of Florida and appointed M. A. Smith liquidator in said Trust Company of Florida cases to succeed J. H. Therrell. An appeal was again taken to the United States Circuit Court of Appeals for the Fifth Circuit from the then latest order or decree of Judge Ritter, and again the order or decree of Judge Ritter appealed from was reversed by the said circuit court of appeals which held that the State officer was entitled to the custody of the property involved and that said Eaton and Stearns as receivers were not entitled to such custody. Thereafter, and with the knowledge of the decision of the said circuit court of appeals, Judge Ritter wrongfully and improperly allowed said Eaton and Stearns and their attorneys some \$26,000 as fees out of said trust-estate properties and endeavored to require, as a condition precedent to releasing said trust properties from the control of his court, a promise from counsel for the said State liquidator not to appeal from his order allowing the said fees to said Eaton and Stearns and their attorneys.

"3. In that the said Halsted L. Ritter, while such Federal judge, accepted, in addition to \$4,500 from his former law partner, as alleged in article I hereof, other large fees or gratuities, to wit, \$7,500 from J. R. Francis, on or about April 19, 1929, J. R. Francis at this said time having large property interests within the territorial jurisdiction of the court of which Judge Ritter was a judge; and on, to wit, the 4th day of April 1929 the said Judge Ritter accepted the sum of \$2,000 from Brodek, Raphael & Eisner, representing Mulford Realty Corporation as its attorneys, through Charles A. Brodek, senior member of said firm and a director of said corporation, as a fee or gratuity, at which time the said Mulford Realty Corporation held and owned large interests in Florida real estate and citrus groves and a large amount of securities of the Olympia Improvement Corporation, which was a company organized to develop and promote Olympia, Fla., said holdings being within the territorial jurisdiction of the United States District Court of which Judge Ritter was a judge from, to wit, February 15, 1929.

"4. By his conduct as detailed in articles I, II, III, and IV hereof, and by his income-tax evasions as set forth in articles V and VI hereof.

"Wherefore the said Judge Halsted L. Ritter was and is guilty of misbehavior, and was and is guilty of high crimes and misdemeanors in office."

Mr. SUMNERS of Texas. Mr. Speaker, the resolution which has just been read proposes three new articles. The change is not as important as that statement would indicate. Two of the new articles deal with income taxes, and one with practicing law by Judge Ritter, after he went on the bench.

In the original resolution, the charge is made that Judge Ritter received certain fees or gratuities and had written a letter, and so forth. No change is proposed in articles 1 and 2. In article 3, as stated, Judge Ritter is charged with practicing law after he went on the bench. That same thing, in effect, was charged, as members of the committee will remember, in the original resolution, but the form of the charge, in the judgment of the managers, could be improved. These charges go further and charge that in the matter connected with G. R. Francis, the judge acted as counsel in two transactions after he went on the bench, and received \$7,500 in compensation. Article 7 is amended to include a reference to these new charges. There is a change in the tense used with reference to the effect of the conduct alleged. It is charged, in the resolution pending at the desk, that the reasonable and probable consequence of the alleged conduct is to injure the confidence of the people in the courts—I am not attempting to quote the exact language—which is a matter of form, I think, more than a matter of substance.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. SNELL. I may not be entirely familiar with all this procedure, but as I understand, what the gentleman is doing here today, is to amend the original articles of impeachment passed by the House.

Mr. SUMNERS of Texas. That is correct.

Mr. SNELL. The original articles of impeachment came to the House as a result of the evidence before the gentleman's committee. Has the gentleman's committee had anything to do with the change or amendment of these charges?

Mr. SUMNERS of Texas. No; just the managers.

Mr. SNELL. As a matter of procedure, would not that be the proper thing to do?

Mr. SUMNERS of Texas. I do not think it is at all necessary, for this reason: The managers are now acting as the agents of the House, and not as the agents of the Committee on the Judiciary. Mr. Manager PERKINS and Mr. Manager HOBBS have recently extended the investigation made by the committee.

Mr. SNELL. Mr. Speaker, will the gentleman yield further?

Mr. SUMNERS of Texas. Yes.

Mr. SNELL. Do I understand that the amendments come because of new information that has come to you as managers that never was presented to the Committee on the Judiciary?

Mr. SUMNERS of Texas. Perhaps it would not be true to answer that entirely in the affirmative, but the changes are made largely by reason of new evidence which has come to the attention of the committee, and some of these changes, more or less changes in form, have resulted from further examination of the question. This is somewhat as lawyers do in their pleadings. They often ask the privilege of making an amendment.

Mr. SNELL. And the gentleman's position is that as agents of the House it is not necessary to have the approval of his committee, which made the original impeachment charges?

Mr. SUMNERS of Texas. I have no doubt about that; I have no doubt about the accuracy of that statement.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. In just a moment. If any further information is desired by the House with regard to these pleadings, I shall yield to my colleague on the committee, Mr. PERKINS, who is really senior to my colleague, Mr. HOBBS. These gentlemen are more familiar with the later discoveries and the investigation than I am, because they conducted it.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. MAY. The whole sum and substance of the amended articles of impeachment is to make them more specific and certain in the nature of amended pleadings, such as we do in court, pointing out the particular matters to which this applies, and it is not any new thing, except to more particularize so as to make more definite.

Mr. SUMNERS of Texas. It is not new, except that these gentlemen who made the investigation believe they have made a discovery of certain facts which ought to be presented to the Senate in connection with the case.

Mr. MAY. And this pleading authorizes the presentation of evidence on that subject?

Mr. SUMNERS of Texas. Yes.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. MICHENER. I had not heard of the matter before, but as I understand from what the gentleman says he is not including new charges. Of course, if the gentleman is including new charges, and the House is going to be asked to vote on whether or not this man in their judgment is guilty of those charges, there certainly should be some hearing before the House and some evidence presented on which the House might pass its judgment. On the other hand, if the charges or articles were crudely drawn, and it is the purpose of these articles to perfect or correct that crudeness, then I can see how it could be a matter of form largely, so far as this resolution is concerned.

Do these new articles include new charges, which have not been considered by the House?

Mr. SUMNERS of Texas. Possibly I can make clear just what they do include. Except for what I have designated as the three new articles, the proposed changes are such changes as have occurred to the managers should be made to clarify and make more certain the allegations, and make them more nearly conform to what it is contemplated will be the evidence. As the gentleman from Michigan [Mr. MICHENER] will recall, there is a change in the original articles of impeachment that Judge Ritter was engaged in the practice of law. At least it meant to charge that. The gentleman will remember that there is an additional charge contained in these new articles of impeachment of further activity on the part of the judge in the practice of the law after he went on the bench.

Mr. MICHENER. Will the gentleman yield further?

Mr. SUMNERS of Texas. I yield.

Mr. MICHENER. As far as I am concerned, I intend to let this go through, but I do not want a practice established here which is wrong, that is, that this House informally, without notice, and without consideration, vote on new specific charges on which a man is to be tried in the Senate, without any information on the part of the committee which studied the matter, or without any information on the part of the House, respecting the new charges. Assuming, for instance, that you were to add another charge, charging this man with larceny, and it had not been discussed at all except by the managers. You bring in another charge, charging this man with larceny; it would seem that the House should at least know on what you base that charge before it is asked in a solemn way to impeach this man on that charge. When the next case comes I do not want to be in the position where some will say, "That is what we did in the Louderback case or the English case", or some other case, because if we did it in the English case, or the Louderback case we were wrong.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. RICH. If the things which the gentleman from Michigan [Mr. MICHENER] says are true, why should they be permitted to come in in this case, if your committee has not given further consideration to these charges, and bring something here that you do not know definitely is the case? You have to make up your minds before you bring something here to impeach this man if you expect the House of Representatives to agree to this resolution, because it is not right for you to do it without your own personal knowledge.

Mr. MICHENER. I think the House wants to do everything within its power to have our managers present all the facts to the Senate, but my whole inquiry is aimed at the question as to whether or not this House could morally vote to include articles of impeachment or new charges against any person, about which the House has no information whatever. We must not do it, as a matter of form.

Mr. SUMNERS of Texas. May I make a further brief statement, because we are due in the Senate soon. If I may have the attention of the House, I will try to make a clarifying statement in regard to this whole matter.

As I have had occasion to mention before, much of the confusion in impeachment proceedings grows out of the fact of the confusion between the power under the British system and the power under the American system and the character of prosecution under the British system and the character of prosecution under the American system. I think American lawyers and laymen now agree that under the American system, impeachment is an ouster suit, a civil action. The House recently voted to direct a prosecution at the bar of the Senate to separate a Federal judge from his official position. In the resolution the managers on the part of the House were authorized to file any additional pleadings. The central thing that the House agreed upon was that, in its judgment, whether right or wrong, this judge ought to be ousted from his office. That was the major thing. That is the thing of substance that the House agreed upon. All Members of the House cannot go to the Senate. The House selects certain managers to represent it in an effort to oust a Federal judge whom the House has determined, in its judgment, ought to be ousted.

I agree with the gentleman from Michigan that with regard to these matters we ought to exercise very great caution, but it seems to me that in this procedure is an unnecessary consumption of the time of the Members of the House, who, of necessity, cannot go into the details of the consideration of the separate items and cannot take the time to pass judgment upon changes in pleadings which, in the judgment of its lawyers, and that is the position we occupy, ought to be effected. In the English case, which was the last case, as I recall, in which this question arose, counsel for the respondent objected to what I now recall was article V of the charges. The managers on the part of the House amended article V of the charges and came back to the floor of the House and the House approved that amendment, and we went to trial on those impeachment charges, including article V, the amended article which the House had agreed to. To all practical purposes, this is a lawsuit. The people are one party and the judge is the other party. I do not believe it is feasible in the conducting of a lawsuit for those who represent as large a body as this body to make an explanation that they thoroughly understand in the details of pleadings. It cannot be done. Most of you Members are lawyers. You know that very frequently in the preparation of a case and joinder of issue there is necessity to modify the pleadings, and you never consult your client about it. I would be glad if it could be done in another way. I would be glad if this whole cumbersome machinery could be gotten rid of. I am thoroughly convinced that good behavior is a justiciable issue and can be tried in the courts of the country, and I am about ready to submit a tentative bill to bring that about; but now we have to proceed in this cumbersome way, and the managers who made the chief investigation, the gentleman from New Jersey [Mr. PERKINS], who is ranking minority member of the Committee on the Judiciary, and the gentleman from Alabama [Mr. HOBBS], one of the younger members, suggested that these changes should be made.

I happen to be one of the managers also. I have sat in council with these gentlemen. It is their opinion that these amendments ought to be made before we attempt to join issue in the Senate, and this is why we are here.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield for a question?

Mr. SUMNERS of Texas. I yield.

Mr. MARTIN of Colorado. I understood the gentleman to say a moment ago that the House had decided that the judge in question ought to be ousted from office, but it is my understanding the House by its action merely decided there was probable cause for his ousting and that this is tantamount to the action of a committing magistrate in binding a party over for a hearing on probability of guilt. I do not understand it was our decision that he should be ousted.

Mr. SUMNERS of Texas. I thank the gentleman for the suggestion. I would like to modify my statement, because the gentleman is more nearly accurate than I. What the House decided was that the judge ought to be put to trial before the Senate.

Mr. MARTIN of Colorado. I thank the gentleman.

Mr. SUMNERS of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SUMNERS of Texas. Mr. Speaker, I offer the following privileged resolution.

The Clerk read as follows:

House Resolution 472

Resolved, That a message be sent to the Senate by the Clerk of the House informing the Senate that the House of Representatives has adopted an amendment to the articles of impeachment heretofore exhibited against Halsted L. Ritter, United States district judge for the southern district of Florida, and that the same will be presented to the Senate by the managers on the part of the House.

And also, that the managers have authority to file with the Secretary of the Senate, on the part of the House any subsequent pleadings they shall deem necessary.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOT SPRINGS, N. MEX.

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7024) to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., the northeast half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, Hot Springs, N. Mex., with Senate amendments, and agree in the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, strike out "northeast" and insert "north".

Page 2, line 4, after "1933" insert " ", pursuant to the provisions of section 17 of the act of November 9, 1929 (42 Stat. 212).

Amend the title so as to read: "An act to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., of the north half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, New Mexico principal meridian, New Mexico."

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

Mr. SNELL. Mr. Speaker, reserving the right to object, I wish the gentleman from New Mexico would make a short explanation of these amendments. So far as I know there is no objection.

Mr. DEMPSEY. The House passed a bill authorizing the sale of certain land to the municipality of Hot Springs, N. Mex. In the Senate an error was found in the description of the property. The Senate amendments correct the description and amend the title.

Mr. SNELL. It is nothing but a change of the description of a piece of land.

Mr. DEMPSEY. Yes.

The SPEAKER. Is there objection to the present consideration of the Senate amendments?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

COMMEMORATIVE 50-CENT PIECES, LONG ISLAND, N. Y.

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Coinage, Weights, and Measures, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11323) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y., with a Senate amendment, and agree to the Senate amendment.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y., there shall be coined at a mint of the United States to be desig-

nated by the Director of the Mint not to exceed 100,000 silver 50-cent pieces of standard size, weight, and composition, and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

"Sec. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the chairman or secretary of the Long Island Tercentenary Committee upon payment by him of the par value of such coins, but not less than 5,000 such coins shall be issued to him at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such committee, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

"Sec. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. SNELL. Will the gentleman explain this amendment?

Mr. COCHRAN. It is simply a strengthening of the phraseology of the bill to make more certain that there shall be no cost to the Federal Government.

Mr. SNELL. Is that all there is to it?

Mr. COCHRAN. That is all.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

PRELIMINARY SURVEY REPUBLICAN RIVER, KANS.

Mr. WILSON of Louisiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8030) to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, in the State of Kansas, with a view to the control of their floods, with Senate amendments, and concur in the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, strike out "in the State of Kansas."

Amend the title so as to read: "An act to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, with a view to the control of their floods."

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman explain the amendments.

Mr. WILSON of Louisiana. As I understand them, they simply enlarge the power granted in the original bill to permit the survey to be continued outside the State of Kansas. This is necessary because the river flows through Nebraska as well.

Mr. SNELL. What was this preliminary survey?

Mr. WILSON of Louisiana. I yield to the gentleman from Kansas [Mr. CARLSON] to answer the question as this is his bill.

Mr. CARLSON. This is for a preliminary survey of a river. The bill as originally drawn contained the words "in the State of Kansas." About two-thirds of the river lies in Nebraska, so the Senate has taken out the words "in the State of Kansas."

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. CARLSON. I yield.

Mr. SNELL. What did I understand the name of the river to be?

Mr. CARLSON. It is a good name, "Republican River."

Mr. SNELL. I do not object.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

ACQUISITION OF LANDS NEAR MIAMI, FLA.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8372) to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon, with a Senate amendment, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. ZIONCHECK. Mr. Speaker, I object.

THE NATIONAL HOUSING ACT AND ITS ADMINISTRATION BY THE NATIONAL HOUSING ADMINISTRATION AS IT APPLIES TO FINANCING REHABILITATION OF TENEMENT HOUSES IN SLUM AND BLIGHTED AREAS IN THE CITY OF NEW YORK

Mr. CURLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CURLEY. Mr. Speaker, we hear a great deal about slum and blighted areas in the congested tenement-house sections of large urban centers, and in particular of the type found in my congressional district in the city of New York, and may be found in other districts in the poorer sections of the city.

I have heard many definitions given of the terms "slum" and "blighted" tenements and the possibility of making physical alterations which will modernize them to meet the provisions of the multiple-dwelling law of the State of New York. As to the aforesaid definitions, the best to my mind is given by the United States Information Service, as follows:

"A slum" is most simply defined as "housing (on whatever scale) so inadequate or so deteriorated as to endanger the health, safety, or the morals of its inhabitants." "A blighted area" is defined as a "residential area on the downgrade, which has not reached the slum stage."

TENANTS DOOMED

For the information of those not informed of the plight of both tenants and owners of these outworn and obsolete multiple dwellings, they are forced by the new amendments to the multiple-dwelling law in the State of New York to make their buildings, through mandatory legislation, modern in every detail. This requires extensive alterations calling for vast outlay of expense. If this law is enforced, and the commissioner of tenement house department, Hon. Langdon W. Post, is recorded as having stated he "will enforce the law", then the owners and tenants of the so-called slum tenements are doomed to be victims of a distinct failure on the part of mortgagees to make coordinated effort with building industry for the renovation and rehabilitation of said tenements.

OWNERS HANDCUFFED

The owner is financially handcuffed and unable to negotiate for loans required to reconstruct their buildings and will no doubt suffer the loss of their equity. With respect to the blighted type, it is possible under the provisions of the National Housing Act to negotiate loans up to \$50,000 insured by the Federal Government, which will enable them to remodel and reconstruct their buildings according to law. This low-cost housing problem is one of the most difficult to solve. The various units of so-called low-cost housing built through subsidies granted by the Government do not reach down far enough to lower brackets averaging \$3 to \$5 per room per month.

Private industry finds it impossible to invest in such type of low-cost construction because it is nonprofit producing. Therefore it is the opinion of many experts in this important field of industry that the Government must temporarily lead the way by guaranteeing building loans or such other plan that may be found to be feasible and practical in the premises. It is the honest opinion of all unbiased minds that the Federal Government is exhausting every conceivable means to find a solution to this perplexing problem and keep within bounds of the Constitution. Federal

agencies are cooperating and conferring constantly with labor and industry, as well as with State, municipal, and private organizations in a concentrated effort to give practical relief in the affected slum and blighted areas. President Roosevelt has made it an emphatic declaration of national policy. This policy is that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guarantee of social and economic stability, and that to protect home owners is a proper concern of the Government. We are working toward the ultimate objective of making it possible for American families to live as Americans should.

WORK FOR UNEMPLOYED

It is the opinion of experts that the essence of any remedy to restore normalcy throughout the country to our economic structure is work and wages for the 85 percent of the unemployed members of the various crafts in the building industry.

The following plan, submitted to me by experts who have made an intensive study of this subject, will be of interest to every Member of Congress:

PROPOSED PLAN FOR A NATIONAL PUBLIC-HOUSING PROGRAM

The time has come when the frequent pledges of the administration to develop a clear-cut, permanent national public-housing program, designed to improve workers' living conditions, reemploy building workers at fair wages in productive work, and broaden and stabilize the potential market of the building industry, must be fulfilled.

The housing problem, as we see it, comes down to one simple question: How can an adequate supply of decent new housing be built for families with annual incomes of \$1,500, \$1,000, and less? This group comprises from half to two-thirds of the population today, and even in 1929 the vast majority of skilled industrial workers earned less. Bad living conditions will continue, the residential building industry will remain a speculative "luxury trade", and an extreme housing shortage will be unavoidable—unless this question is answered in the near future.

Private enterprise cannot do this job. It has not done it in the past, and it is not doing it today even with the aid of Government-guaranteed mortgages.

Local governments cannot do it alone. Their financial condition is too weak and their resources too restricted to permit them to raise any of the necessary subsidies for low-rent housing. The establishment of local housing authorities capable of initiating, constructing, and operating housing projects, even if the subsidies are provided by the Federal Government, cannot be accomplished all at once. Federal demonstrations of proper standards and efficient large-scale planning technique, will in most cases have to be done first.

The Federal Government cannot provide real leadership or concrete achievements as long as its housing agencies are on a temporary, emergency, work-relief basis. There will be very few efficient local housing authorities until there is a permanent Federal housing authority, equipped with the necessary powers and funds.

In view of these obvious facts, the administration should not delay in pushing forward an adequate legislative program for housing. This responsibility has already been assumed, although in a very small way in the work of the P. W. A. housing division and of suburban resettlement. And the responsibility for protecting the interests of owners and private financial agencies in middle-class and upper-class housing has been taken over by the Federal Government in a very large way, indeed. The H. O. L. C. and the F. H. A. have together about \$4,000,000,000 worth of commitments in this class of residential property.

Is it too much to ask that the Federal Government should do something, even though not on such a Herculean scale, for the actual construction of much-needed dwellings for that half of our population who cannot hope for improved housing conditions by any other means?

The American Federation of Labor at its last convention unanimously adopted a resolution on a public-housing program. It is now the duty of the American Federation of Labor, as the only organized representatives not only of the building-trades workers but also of millions of families in need of better homes, to present this program in more concrete terms. Following are recommendations for immediate Federal legislation and a national housing policy and program:

A NATIONAL PUBLIC-HOUSING AUTHORITY; PREMISES AND GENERAL POLICIES

1. There must be a definite long-term program for the provision of an adequate supply of low-rent housing, available to families who cannot secure decent housing through ordinary private initiative.
2. This program should be entrusted to a new, permanent national public-housing authority, set up in corporate form, with a three- or five-man board on which labor and consumers are represented.
3. All Government-aided, large-scale, low-rent housing activities should be carried out through this authority, except strictly

rural housing and rural resettlement, which properly belong to the field of agricultural planning.

4. The national public-housing authority must be independent of any agency such as F. H. A., primarily concerned with the financing and refinancing of individual middle-class and upper-class homes. Such agencies, and the interests with which they are naturally allied, have too often proven themselves to be hostile to the purposes and procedure of a public-housing program.

5. In view of the need for immediate and effective action, and also in consideration of the impending acute shortage of homes, Federal aid must not be limited to the direct reconstruction of central slum areas.

6. On the other hand, housing for industrial workers must in general be located within easy reach of a variety of work opportunities, and projects must not be set up on the basis of part-time industry and compulsory gardening. In isolated areas, subsistence homesteads merely extend the feudal conditions already existing in many one-industry and company towns. In the suburbs of larger cities they will only serve to keep the level of cash wages down.

7. The national public-housing authority should work through local public-housing authorities and cooperative or other non-profit private agencies representing labor or consumers. Such local agencies should, wherever and whenever possible, initiate, construct, own, and manage housing projects.

STANDARDS TO BE MAINTAINED IN ALL PUBLIC-AIDED HOUSING PROJECTS

1. Prevailing union wage rates, and union working conditions, must be maintained in the design, construction, and operation of all housing projects receiving public aid. In general, all public-aided housing should be constructed by prequalified contractors.

2. There must be bona fide labor and consumer representation on both the national public-housing authority and on all local public-housing authorities eligible to receive Federal aid.

3. Projects should be large enough to be planned as complete neighborhood units, including recreational and social facilities and meeting halls.

4. Minimum physical standards of construction and dwelling design should be set up for each region, below which no public-aided housing can fall.

5. Projects must be so set up and operated that they will remain permanently within reach of the income groups for whom they were intended. Management must be professional and not political.

POWERS AND APPROPRIATIONS

1. The Federal Government must expect to supply practically all of the subsidy needed to make up the difference between "economic rent" and what low-income families can pay. For this purpose the authority must have the power to make capital grants, loans at less than the cost of the money, and clearly defined contractual annual grants.

2. The authority must have the power to make self-liquidating loans to local agencies. These agencies should be encouraged, however, to raise as much of their capital as possible themselves, and the authority should have the power to guarantee the obligations of local agencies.

3. Since most local authorities will be inexperienced and unable to take their full share of responsibility at the outset, and since immediate construction and widespread demonstrations of modern housing standards are essential, the authority must itself have the power to construct and manage housing projects.

4. To carry out these purposes, the authority should receive in this session of Congress an appropriation of \$500,000,000, to be expended within the next 2 years. This sum will go for capital and annual grants, interest subsidies, and running expenses. In addition, it should have the power to issue bonds and to borrow from the Postal Savings Bank and other semipublic sources, in order to provide funds for self-liquidating loans.

BUILDING IMPORTANT ELEMENT

I believe that not until a comprehensive and constructive Nation-wide program of stimulating influences is organized, to give life and energetic vitality to the existing dormant building-construction industry, will we balance our economic structure and bring happiness and contentment into the millions of homes in the Nation. In my own humble opinion, building construction constitutes one of the highly important elements in the life of the Nation, and that it will prove itself, if given the proper opportunity, to be the most powerful essential instrumentality in the Government's heroic efforts to make better living conditions for the 1,500,000 of people forced through no fault of their own to live in the 67,000 slum and blighted tenements of the city of New York.

THE ROBINSON-PATMAN BILL

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, the Robinson-Patman bill has been reported favorably by the Committee on the Judi-

ciary of the House by a vote of 11 to 6. The report will be filed by the Hon. HUBERT UTTERBACK for the committee at an early date, and I hope every Member of the House reads the bill and the report.

EQUAL RIGHTS BILL

This bill is not penalizing any person or corporation. It is intended to give equal rights to all and special privileges to none. It will not place a burden or tax on chain stores. It will not deny chain stores any right, privilege, or benefit that they are justly entitled to receive. It will, however, give the independent merchants the same rights and privileges granted by manufacturers to chain stores based upon the same quantity of purchases, and so forth. It will not compel manufacturers to charge chain stores high prices for their goods, but it will compel manufacturers to give independents the same prices under the same conditions. A factory that sells 25 percent of its output to a chain-store corporation will not be permitted to give the chain-store corporation a better price than it gives to the independents who purchase the other 75 percent of the factory output.

CONSUMERS SAVED TWO AND ONE-FOURTH BILLION DOLLARS A YEAR

There is an effort being made by certain selfish, greedy, monopolistic interests to mislead the people and have them believe that the enactment of this bill into law will cost the consumers \$750,000,000 a year. If chain-store corporations doing 25 percent of the retail distribution business can save the consumers \$750,000,000 a year the independent merchants who do the other 75 percent of the retail distribution business will be able to save the consumers two and a quarter billion dollars a year when they receive the same prices as the chain stores receive. Certainly no one will contend that those who purchase the smaller part of a manufacturer's output are entitled to a better price than those who purchase the major part. Competition is guaranteed. The weasel phrases in the Clayton Act are removed and teeth are inserted instead.

EQUAL OPPORTUNITY

If this bill is enacted into law it will greatly curb monopoly, give independent business a fair opportunity, restore employment, and greatly assist consumers, farmers, and wage earners.

NATIONAL YOUTH ADMINISTRATION

Mr. MERRITT of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address made by my colleague, the gentleman from Massachusetts [Mr. CASEY].

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MERRITT of New York. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Hon. JOSEPH E. CASEY, of Massachusetts, on March 16, 1936:

It is a privilege and a pleasure for me to come here to Lunenburg and talk to such a splendid gathering upon a subject which you have chosen—the National Youth Administration.

It may be that because I belong to the younger group in Congress I feel more keenly the problem of youth. But whatever the reason, I believe most sincerely that our Government should become deeply conscious of the seriousness of this problem.

True, the Civilian Conservation Corps was a splendid step in the right direction. In March of 1933 it enrolled 300,000 young men between the ages of 18 and 25 in 1,200 camps throughout the country. This number has since been increased to nearly half a million. The conservation program gave these youths an opportunity to improve their minds and bodies and also provided financial help that was so sorely needed by their families. They are doing a most useful work in preserving our forests and in helping prevent soil erosion and floods throughout the country. I am happy to announce that the civilian conservation camps' enrollment will not be decreased and that this splendid program will continue in full force and effect. I am unreservedly in favor of continuing these camps.

The civilian conservation program was a beautifully conceived and marvelously executed plan. It does not, however, solve the youth problem. It not only makes no provision for girls and young women, but, above and beyond these, there are hundreds of thousands of boys and young men who do not come within its scope. Hence the necessity for the National Youth Administration.

The National Youth Administration was established June 26, 1935, as a division of the Works Progress Administration with a

budget of \$50,000,000. It aims to provide needy young people with educational, recreational, training, and work opportunities. With these aims I am in entire accord. By helping needy students continue in school the National Youth Administration not only provides them with an education but it takes them out of a labor market that is already vastly overcrowded. By providing recreational facilities, it is enabling the youth of the land to build up its health and to find an outlet for its abundant energy in a clean and wholesome manner. It was the Duke of Wellington who said that the Battle of Waterloo was won on the playing fields of Eton. It may be that the battle against the depression will be won on the playing fields of America.

The third aim—to provide training and work opportunities is a most desirable one. Under present circumstances very little can be done. The National Youth Administration has accomplished something, however. It has provided part-time work projects for young people coming from work-relief families, whereby they may work for one-third of a month and receive a one-third security wage appropriate to their locality and the type of work done.

This is the first opportunity, apart from the Civilian Conservation Corps, that the younger group has had to take advantage of the Government's provision for work relief. In the past, regulations have provided that work relief was available to only one member of the family, namely, the head.

By this means young people have some small basis for independence—a dime for bus fare, an occasional movie, a chance to give a girl an ice-cream soda—pitifully small, to be sure, but of tremendous importance to the self-respect and dignity of 18.

I know that there are some who believe youth should have been left to itself—to do or die—upon the theory that is the way to make them self-reliant, thrifty, and courageous. To them I ask, How can youth practice these virtues when there is no opportunity to do so? How can a young person alone buck a vast and intricate industrial system? I know that some of them have done it, but they were exceptional. I am pleading for the average American girl and boy.

Since 1929 hundreds of thousands of young people with high hopes, eager ambitions, and splendid dreams have entered a world where it is no longer enough to have the will and ability to work. Unable to get work they are caught in a vicious circle—without experience they cannot get jobs and because they cannot get jobs they cannot acquire experience.

I would widen the scope of youthful opportunities. I would follow the English system and train them for civil-service examinations and for diplomatic posts. Let us open up careers in public service for them, so that in the future Government positions may be filled by those best fitted for them rather than the present system of filling them with party followers whenever there is a change in administration.

I say to you of the older generation, captains of industry, judges on the bench, statesmen, you all had something out of life, but tell me, wasn't the best time, that time when you were young, young and had nothing, except a chance to feel your strength? That is what youth asks today. An opportunity to feel its strength. Do not deny them this opportunity. Do not destroy youth—youth with the faith, with the strength, with the romance of illusions.

For 7 years youth has been beating upon the door of opportunity with no success. For 7 years youth has come of age in a world where all is changing, confused, and insecure. Is it too much to ask that young people be afforded the opportunities that our fathers and grandfathers had?

Young America is looking forward to the day when it will bear great responsibilities. It is looking forward to the day when it will guide the destinies of our Nation. To this day old America must look forward, too. If young America is not prepared, if it has been handicapped by the present economic and social maladjustments, it is old America which is responsible. It is the future of America that is at stake. Gerald Raftery sets this forth beautifully in his poem entitled "Boy."

"His hands are busy now with bat and ball—
But some day on the levers of the world,
On strange, unknown controls these hands will call
A new world forth; on steering wheels curled
Their strength will guide (through what new element?)
Another age; at work on drawing board
These hands will map the clean, aloof ascent
Of starward-reaching towers, human-cored.

"His eyes, that crinkle now into a grin
Of half-embarrassment, one day will see
A wider world than we can ever win,
A universe we cannot dream to be;
Further in time and space than we have seen
His eyes will see, and watch without surprise
A million miracles of bright routine
Beyond the furthest dreaming of our eyes.

"His brain that puzzles now on a plus b
Will build and plan more bravely on the earth
And battle to the shining victory
Against disease and poverty and dearth.
Beyond our ways his brain will carry on,
Being armed with eagerness and strength and youth,
To learn triumphantly when we are gone
More than we ever knew—or taught—of truth."

REPORT OF THE UNITED STATES EMPLOYMENT SERVICE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a brief report of the Director of the United States Employment Service.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following brief report of the Director of the United States Employment Service:

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE,
Washington, March 28, 1935.

HON. WILLIAM P. CONNERY, JR.,
Chairman, Committee on Labor,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN CONNERY: Responding to your inquiry, I submit the following summary of the operations of the United States Employment Service for the 30 months ended December 31, 1935. You will please note that these statistics represent the operations of combined State employment services and the National Reemployment Service for this period of 2½ years.

The number of different individuals applying for employment at the offices of the combined services was 20,714,703.

The total number of placements made by these offices were 13,094,125.

Of the total number of placements, there were 6,219,704 placements on Civil Works Administration and Works Progress Administration projects. The remainder, or 6,874,421, represents placements made on projects of the Public Works Administration or in private industry. The number placed in private industry during this period was 2,892,355.

In response to your further inquiry concerning the Veterans' Placement Service, I submit this statement:

The Veterans' Placement Service is a function of each of the operating offices of the State Employment Services and of the National Reemployment Service.

The priority of opportunity for employment on public works projects as prescribed in the National Industrial Recovery Act for ex-soldiers with dependents, if and when qualified, has resulted in a larger proportion of placements for the veterans than for the whole total of those registered.

The total number of different veterans who applied for employment during this period was 1,440,380. The number of placements made (excluding placements made on work-relief projects) was 1,365,578.

I shall be pleased to submit any further information that you may desire.

Very truly yours,

W. FRANK PERSONS, Director.

AMERICAN AGRICULTURAL ADVANTAGES UNDER THE RECIPROCAL-TRADE AGREEMENTS

Mr. BUCK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain statistical material, for which I have secured an estimate from the Public Printer.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BUCK. Mr. Speaker, at intervals since the opening of this session of Congress we have listened to denunciations of the various reciprocal-trade agreements entered into by the administration. We have had charges hurled that "agriculture was laid on the altar of foreign trade." We have had inserted in the RECORD tables which have purported to show the loss that agriculture might suffer under these agreements, based on the concessions granted foreign countries by the United States. These tables have been easy to compile for the reason that the concessions that we have made to foreign countries on agricultural products have been relatively small, relatively unimportant, and have been safeguarded in all important cases by quota arrangements.

No one, however, has yet arisen to present an accurate picture of the benefits that American agriculture has obtained under these agreements, and so with the permission of the House I desire today to speak somewhat on that subject and to insert tables which will show the actual benefits which already have been, and will be, received by agriculture of the United States from concessions made by foreign countries.

Eleven trade agreements have thus far been concluded and nine have come into effect, as follows: Cuba, September 3, 1934; Belgium, May 1, 1935; Haiti, June 3, 1935; Sweden,

August 5, 1935; Brazil and Canada, January 1, 1936; the Netherlands, February 1, 1936; Switzerland, February 15, 1936; Honduras, March 2, 1936. In addition thereto there are pending trade agreements with Colombia and Nicaragua, details of which are available.

In every one of these agreements substantial reductions in import duties are made by the countries concerned on agricultural products of the United States, including my own State of California, which enter into foreign trade. May I say that the prosperity of California agriculture depends in an important measure on export trade. Criticism has been levied on some of these agreements in that they were taking care of only products of Midwestern States, but a careful analysis of the appended tables will show any unbiased reader wherein all branches of agriculture, from all States, have benefited.

It must be remembered that these agreements are reciprocal-trade agreements. We have given concessions, it is true, and in other agreements to be entered into we will give other concessions; but the balance is so strikingly in favor of our own growers and producers that I think it well worth while to give the concrete facts to the farmer so that he may judge for himself.

It must also be remembered that there is an obvious attempt to confuse the farmer by making him believe that the slight increase in agricultural imports which occurred in the last year is attributable to these reciprocal-trade concessions. Only four of these, however, were in effect during any part of 1935. Only the agreement with Cuba was in effect for the whole year. No agricultural concessions were granted to Sweden, and during the period of 1935 that the Haitian agreement was in effect agricultural imports from that source, owing to a shortage of crops, decreased over a comparable period of 1934. The concessions made to Belgium on agricultural products were small and insignificant, and there was but a slight increase in these import items

during 1935. As to Cuba, the principal imports, sugar and tobacco, were placed on a quota basis, and no complaint is being received from producers of these commodities.

The Canadian agreement has drawn a particular fire from those who would use the farmer as a shield in their warfare to keep intact present ruinous trade barriers. A statement which appeared recently in the CONGRESSIONAL RECORD (p. 2866) purporting to tell the story of increased imports of Canadian agriculture brought in under this agreement included the items of fresh pork, milk powder, fresh beef, bacon, hams, and wool, on which no concessions whatever were made by the United States. This misleading type of information must be answered conclusively, not merely by stating that it is misleading but by showing to the farmer himself how the market for his own products has been widened in Canada and elsewhere.

Mr. Speaker, hundreds of other concessions on other items allied to agriculture industries, such as dressed furs, wines, and fish products, and on industrial products, minerals, petroleum and its products, have been made in these agreements. It is not my intention to set those items out in the tables which I shall append. It is my desire simply to answer conclusively the statement that agriculture has been sold down the river or "across the lakes."

With these remarks I append hereto a series of tables listing the agriculture products on which concessions have been obtained by the United States in the nine trade agreements now in effect and also in those concluded with Colombia and Nicaragua, which are now awaiting exchange of ratification. These tables are taken from official sources and include every item on which the farmers and producers of the United States have received concessions from foreign countries under these agreements. Anyone who will study these tables carefully must become convinced of the magnitude of the reciprocal-trade program and the enormous benefits that our own agriculture stands to achieve under it.

**AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 15, 1936
CANADIAN AGREEMENT**

The majority of the duty reductions occur as a result of the extension to the United States of the most-favored-foreign-nation treatment. In the column headed "Nature of assurance", three designations are used as follows: (1) "M. F. F. N." indicates that the reduction in duty is the result of the extension of most-favored-foreign-nation treatment, without assurance that this rate may not be increased; (2) "Bound M. F. F. N." indicates that the reduction in duty is the result of the extension of most-favored-foreign-nation treatment and that this rate had been bound against increase during the life of the agreement; (3) "Bound below M. F. F. N." indicates that the reduction in duty involves a concession below the present most-favored-foreign-nation treatment and that this rate has been bound against increase during the life of the agreement. The phraseology of the tariff classifications has been abridged. The initials "n. o. p." signify not otherwise provided for more specifically elsewhere in the Canadian tariff. The letter "(s)" following a minimum specific duty rate indicates that it applies only in specified seasons.

Canadian tariff		Unit of duty	Old duty to United States	New duty to United States	Approximate reduction in duty	Nature of assurance
No.	Item					
ANIMALS AND ANIMAL PRODUCTS						
4	Horses	Each	\$25	\$12.50	50	M. F. F. N.
5	Animals, living, n. o. p.:					
	(a) Cattle, n. o. p.	Pound	3 cents	2 cents	33	M. F. F. N.
	(b) Sheep, lambs, and goats	Per head	\$3	\$2	33	M. F. F. N.
	(c) N. o. p.	Ad valorem	25 percent	20 percent	20	M. F. F. N.
6	Live hogs	Pound	3 cents	1½ cents	58	M. F. F. N.
7	Meats, fresh, n. o. p.:					
	(a) Beef and veal	Pound	8 cents	6 cents	25	M. F. F. N.
	(b) Lamb and mutton	Pound	8 cents	6 cents	25	M. F. F. N.
	(c) N. o. p. (pork)	Pound	5 cents	2½ cents	50	M. F. F. N.
8	Canned meats and extracts, etc.	Ad valorem	35 percent	30 percent	14	M. F. F. N.
9	Poultry and game, n. o. p.	Ad valorem	20 percent	17½ percent	12	M. F. F. N.
9a	Quails, partridges, etc.	Ad valorem	30 percent	20 percent	33	M. F. F. N.
9b	Rabbits frozen for fox feeding	Ad valorem	20 percent	17½ percent	12	M. F. F. N.
10	Meats, prepared, except canned:					
	(a) Bacon, hams, pork	Pound	5 cents	1¾ cents	65	M. F. F. N.
	(b) N. o. p.	Pound	6 cents	3 cents	50	Bound M. F. F. N.
12a	Sausage casings, cleaned	Ad valorem	17½ percent	15 percent	14	M. F. F. N.
13	Lard, etc.	Pound	2 cents	1½ cents	12	M. F. F. N.
14	Tallow	Ad valorem	20 percent	17½ percent	12	M. F. F. N.
15	Beeswax	Ad valorem	20 percent	18 percent	10	M. F. F. N.
16	Eggs in the shell	Dozen	10 cents	5 cents	50	M. F. F. N.
16a	Eggs, frozen, albumen, etc.	Pound	11 cents	10 cents	9	M. F. F. N.
16b	Eggs, albumen, etc., dried	Ad valorem	30 percent	25 percent	17	M. F. F. N.
Ex. 17	Cheese: Roquefort, Camembert, etc.	Pound	7 cents	5.95 cents	15	M. F. F. N.
18	Butter	Pound	14 cents	12 cents	14	M. F. F. N.
18a	Peanut butter	Pound	7 cents	6 cents	14	M. F. F. N.
599	Hides and skins, raw, dry, salted, or pickled	Free	Free	Free		Bound M. F. F. N.
601	Fur skins of all kinds, not dressed	Free	Free	Free		Bound M. F. F. N.
VEGETABLE FOOD PRODUCTS AND VEGETABLE PRODUCTS						
46	Prepared cereal foods, n. o. p.	Ad valorem	20 percent	17½ percent	12	M. F. F. N.
47	Beans, n. o. p.	Pound	2 cents	1½ cents	25	M. F. F. N.
Ex. 47	Soybeans, n. o. p.	Ad valorem	25 percent	Free	100	Bound below M. F. F. N.
		(and per pound	2 cents			
48	Peas, n. o. p.	Pound	1 cent	¾ cent	25	M. F. F. N.
49	Buckwheat	Bushel	15 cents	12½ cents	17	M. F. F. N.
50	Buckwheat, meal or flour	100 pounds	50 cents	45 cents	10	M. F. F. N.
51	Barley, roasted, ground, etc.	Ad valorem	30 percent	27½ percent	8	M. F. F. N.

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
CANADIAN AGREEMENT—continued

No.	Canadian tariff Item	Unit of duty	Old duty to United States	New duty to United States	Approximate reduction in duty	Nature of assurance
VEGETABLE FOOD PRODUCTS AND VEGETABLE PRODUCTS—continued						
					Percent	
52	Barley, n. o. p.	Bushel	25 cents	22½ cents	10	M. F. F. N.
53	Corn meal	Barrel	25 cents	22½ cents	10	M. F. F. N.
54a	Indian corn for manufacture of corn starch, cereals, etc.		Free	Free		Bound M. F. F. N.
55	Indian corn, n. o. p.	Bushel	25 cents	20 cents	20	Bound M. F. F. N.
56	Oats	Bushel	16 cents	9 cents	44	M. F. F. N.
57	Oatmeal and rolled oats	100 pounds	80 cents	50 cents	38	Bound M. F. F. N.
58	Rye	Bushel	15 cents	9 cents	40	M. F. F. N.
59	Rye flour	Barrel	50 cents	45 cents	10	M. F. F. N.
60	Wheat	Bushel	30 cents	12 cents	60	M. F. F. N.
61	Wheat flour and semolina	Barrel	\$1.35	50 cents	63	M. F. F. N.
63	Rice, cleaned	100 pounds	\$1	72 cents	28	M. F. F. N.
65	Biscuits, unsweetened	Ad valorem	25 percent	22½ percent	10	M. F. F. N.
69	Straw	Ton	\$2	\$1.75	12	M. F. F. N.
69b	Hay	Ton	\$5	\$1.75	65	M. F. F. N.
71a	Timothy seed	Pound	2 cents	1 cent	50	Bound below M. F. F. N.
71b	Clover seed (alfalfa)	Pound	3 cents	2½ cents	25	M. F. F. N.
72	Field and garden seeds (over \$5 per pound)	Ad valorem	10 percent	9 percent	10	M. F. F. N.
72d	Millet, rape seed (over 1-pound package)	Ad valorem	10 percent	9 percent	10	M. F. F. N.
72e	Bent-grass seed (over 1-pound package)	Ad valorem	30 percent	27 percent	10	M. F. F. N.
Ex. 73	Broomcorn seed (over 1-pound package)	Ad valorem	15 percent	Free	100	Bound below M. F. F. N.
73	Field seeds, n. o. p. (over 1-pound package)	Ad valorem	15 percent	9 percent	40	M. F. F. N.
Ex. 74	Parsley seed, for manufacturing or blending (over 1-pound package)	Pound	5 cents	Ad valorem, 10 percent		Bound below M. F. F. N.
74	Seeds, beet, turnip, etc. (over 1 pound package)	Pound	5 cents	4½ cents	10	M. F. F. N.
Ex. 75	Lettuce seed, for manufacturing or blending (over 1-pound package)	Pound	10 cents	Ad valorem, 10 percent		Bound below M. F. F. N.
75	Seeds, cabbage, cucumber, lettuce, etc. (over 1 pound)	Pound	10 cents	9 cents	10	M. F. F. N.
76	Seeds, cauliflower, onion, tomato, etc. (over 1 pound)	Pound	25 cents	22½ cents	10	M. F. F. N.
76a	Root, garden and other seeds, n. o. p. (over 1 pound)	Pound	10 cents	9 cents	10	M. F. F. N.
76b	Seeds, field, garden, etc. (under 1 pound)	Ad valorem	35 percent	27 percent	23	M. F. F. N.
76d	Canary, mustard, celery, etc. (over 1 pound), for blending	Ad valorem	10 percent	9 percent	10	M. F. F. N.
78	Florists' stock, palms, ferns, etc.	Ad valorem	25 percent	20¼ percent	19	M. F. F. N.
79	Florists' stock, azaleas, etc.	Ad valorem	20 percent	15 percent	25	M. F. F. N.
79b	Cut flowers	Ad valorem	40 percent	Free	100	M. F. F. N.
81	Trees, n. o. p.:					
	(a) Apple	Each	7½ cents (s)	6 cents (s)	20	M. F. F. N.
	(b) Pear, plum, etc.	Each	9 cents (s)	8 cents (s)	11	M. F. F. N.
	(c) Peach	Each	6 cents	3 cents	50	M. F. F. N.
82a	Grapevines, raspberry bushes, etc.	Each	2½ cents	2 cents	20	M. F. F. N.
82b	Asparagus roots and strawberry plants	Each	¼ cent	0.225 cent	10	M. F. F. N.
82d	Rosebushes, n. o. p.	Each	7 cents	3 cents	57	M. F. F. N.
Ex. 82 (e)	Nut trees for grafting stock	Ad valorem	30 percent	Free	100	Bound below M. F. F. N.
82e	Florists' or nursery stock n. o. p.	Ad valorem	30 percent	17½ percent	42	M. F. F. N.
83	Potatoes:					
	(a) In their natural state	100 pounds	75 cents	Free	100	M. F. F. N.
	(b) Dried, etc.	Pound	2¼ cents	Free	100	M. F. F. N.
	(c) Sweet potatoes in their natural state	100 pounds	15 cents	Free	100	Bound below M. F. F. N.
	(d) Sweet potatoes, n. o. p.	Pound	2¼ cents	1¼ cents	36	M. F. F. N.
84	Onions in their natural state ¹	Ad valorem	30 percent	30 percent		Bound M. F. F. N.
		Min. specific rate per pound	¾ cent		(?)	
Ex. 85	Mushrooms, fresh ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	10 cents		(?)	
85	Mushrooms, etc.	Ad valorem	30 percent	27½ percent	8	M. F. F. N.
		Min. specific rate per pound	10 cents		(?)	
86	Beets for manufacturing sugar	Ad valorem	30 percent	27½ percent	8	M. F. F. N.
87	Vegetables, fresh, in their natural state:					
	(a) Asparagus ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	3 cents (s)		(?)	
	(b) Beans, green ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
	(c) Brussel sprouts	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
	(d) Cabbage ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	1 cent (s)		(?)	
	(e) Carrots and beets, n. o. p. ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	1 cent (s)		(?)	
	(f) Cauliflower ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	2 cents (s)		(?)	
	(f) Eggplant	Ad valorem	30 percent	Free	100	Bound below M. F. F. N.
	(g) Celery ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	2 cents (s)		(?)	
	(h) Cucumbers ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	1 cent (s)		(?)	
	(i) Lettuce ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	1½ cents		(?)	
	(j) Parsley	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
	(k) Peas, green ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
	(l) Rhubarb ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	1 cent (s)		(?)	
	(m) Spinach ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	1 cent (s)		(?)	
	(n) Tomatoes	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	2 cents			
	(o) Water cress and whitloof or endive	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
	(p) Peppers, green ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
	(p) Radishes	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
	(p) Artichokes	Ad valorem	30 percent	Free	100	Bound below M. F. F. N.
	(p) Horseradish	Ad valorem	30 percent	Free	100	Bound below M. F. F. N.
	(p) Okra	Ad valorem	30 percent	Free	100	Bound below M. F. F. N.
	(p) Not otherwise provided	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
89	Vegetables, canned:					
	(a) Beans	Pound	3 cents	2 cents	33	Bound M. F. F. N.
	(b) Corn and tomatoes	Pound	3 cents	2 cents	33	Bound M. F. F. N.
	(c) Peas	Pound	3 cents	2 cents	33	Bound M. F. F. N.
	(d) Not otherwise provided	Ad valorem	30 percent	27½ percent	8	Bound M. F. F. N.
90	Vegetables, prepared or preserved:					
	(a) Dried, etc., including flour, not otherwise provided	Ad valorem	30 percent	27½ percent	8	M. F. F. N.
	(b) Pickled or preserved in salt, etc.	Ad valorem	35 percent	32½ percent	7	M. F. F. N.
	(c) Extracts or juices, etc., and sauces	Ad valorem	35 percent	32½ percent	7	M. F. F. N.
	(d) Pastes, etc., of vegetables and meat, etc.	Ad valorem	35 percent	32½ percent	7	M. F. F. N.
91	Scups, etc.	Ad valorem	35 percent	25 percent	29	M. F. F. N.

[See footnotes at end of table]

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
CANADIAN AGREEMENT—continued

No.	Canadian tariff Item	Unit of duty	Old duty to United States	New duty to United States	Approximate reduction in duty	Nature of assurance
VEGETABLE FOOD PRODUCTS AND VEGETABLE PRODUCTS—continued						
92	Fruits, fresh, in their natural state:				Percent	
	(a) Apricots ¹	Ad valorem.....	20 percent.....	15 percent.....	25	Bound M. F. F. N.
	(b) Cherries ¹	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... 2 cents.....)	(15 percent..... 2 cents.....)	(25) (25)	Bound M. F. F. N.
	(c) Cranberries.....	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... 2½ cents.....)	(15 percent..... 2 cents.....)	(25) (20)	Bound M. F. F. N.
	(d) Peaches ¹	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... 1¼ cents (s).....)	(15 percent..... 1 cent (s).....)	(25) (25)	Bound M. F. F. N.
	(e) Pears ¹	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... ¾ cent (s).....)	(15 percent..... ¾ cent (s).....)	(25) (25)	Bound M. F. F. N.
	(f) Plums or prunes ¹	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... ¾ cent (s).....)	(15 percent..... ¾ cent (s).....)	(25) (25)	Bound M. F. F. N.
	(g) Strawberries, raspberries, and loganberries ¹	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... 3 cents (s).....)	(15 percent..... 2 cents (s).....)	(25) (25)	Bound M. F. F. N.
	(h) Berries, edible, n. o. p.....	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... 2 cents.....)	(15 percent..... 2 cents.....)	(25) (25)	Bound M. F. F. N.
	(i) Quinces and nectarines.....	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... 1 cent.....)	(15 percent..... 1 cent.....)	(25) (25)	Bound M. F. F. N.
93	Apples, fresh ¹	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... ¾ cent.....)	(15 percent..... ¾ cent.....)	(25) (25)	Bound M. F. F. N.
94	Grapes, fresh ¹	Pound.....	2 cents.....	1½ cents.....	25	Bound M. F. F. N.
95	Cantaloupes and muskmelons ¹	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... 1¼ cents (s).....)	(15 percent..... 1 cent (s).....)	(25) (25)	Bound M. F. F. N.
95a	Melons, n. o. p.....	Each.....	3 cents.....	2½ cents.....	17	Bound M. F. F. N.
95b	Passion fruit.....	Ad valorem.....	20 percent.....	15 percent.....	25	M. F. F. N.
Ex. 96	Avocados or alligator pears.....	Ad valorem.....	20 percent.....	Free.....	100	Bound below M. F. F. N.
96	Fresh fruits, n. o. p.....	Ad valorem.....	20 percent.....	15 percent.....	25	Bound M. F. F. N.
99b	Fruits, dried, etc., n. o. p.....	Ad valorem.....	25 percent.....	22½ percent.....	10	M. F. F. N.
99d	Dates, dried, unpitted in bulk.....	Pound.....	¾ cent.....	¾ cent.....	10	M. F. F. N.
99e	Dates, n. o. p., packaged.....	Pound.....	2¼ cents.....	1.575 cents.....	37	M. F. F. N.
99f	Figs, dried, packaged.....	Pound.....	¾ cent.....	¾ cent.....	10	M. F. F. N.
99g	Dried apricots, pears, peaches, etc.....	Ad valorem.....	25 percent.....	22½ percent.....	10	M. F. F. N.
100	Grapefruit direct to Canadian port.....	Pound.....	1 cent.....	¾ cent.....	50	M. F. F. N.
100a	Grapefruit, n. o. p.....	Pound.....	1 cent.....	¾ cent.....	50	Bound below M. F. F. N.
Ex. 101	Oranges, during the months of January, February, March, and April.....	Cubic feet.....	35 cents.....	Free.....	—	Bound below M. F. F. N.
101a	Lemons.....	Free.....	Free.....	Free.....	—	Bound M. F. F. N.
104a	Fruit pulp, not grape, unsweetened, canned.....	Pound.....	3 cents.....	2½ cents.....	17	M. F. F. N.
105	Fruit pulp, n. o. p., and crushed or frozen fruits.....	Pound.....	3 cents.....	2½ cents.....	17	M. F. F. N.
105b	Olives and cherries, not bottled.....	Ad valorem.....	30 percent.....	17½ percent.....	42	M. F. F. N.
Ex. 105b	Olives, ripe, in brine, not bottled.....	Ad valorem.....	30 percent.....	10 percent.....	67	Bound below M. F. F. N.
105c	Fruits and nuts, pickled, etc.....	Ad valorem.....	35 percent.....	32½ percent.....	7	M. F. F. N.
105d	Jellies, jams, preserves, etc.....	Pound.....	5 cents.....	3½ cents.....	20	M. F. F. N.
105e	Fruits and peels, candied, etc., Maraschino cherries, etc.....	Ad valorem.....	35 percent.....	31.5 percent.....	10	M. F. F. N.
106	Fruits, canned:					
	(a) Apricots, peaches, and pears.....	Pound.....	5 cents.....	4 cents.....	20	Bound M. F. F. N.
	(b) Pineapples.....	Pound.....	5 cents.....	4 cents.....	20	Bound M. F. F. N.
	(c) N. o. p.....	Pound.....	5 cents.....	4 cents.....	20	Bound M. F. F. N.
108	Honey.....	Pound.....	3 cents.....	2½ cents.....	17	M. F. F. N.
ex. 109	Nuts of all kinds, n. o. p., but not including shelled peanuts, n. o. p.....	Pound.....	2 cents.....	1 cent.....	50	Bound below M. F. F. N.
ex. 114	Nuts, shelled, n. o. p., not including shelled almonds, peanuts, or walnuts.....	Pound.....	4 cents.....	2 cents.....	50	Bound below M. F. F. N.
114	Nuts, shelled, n. o. p.....	Pound.....	4 cents.....	3 cents.....	25	M. F. F. N.
ex. 141	Candied chestnuts.....	(Pound..... And ad valorem.....)	(½ cent..... 35 percent.....)	(0.45 cents..... 31½ percent.....)	(10) (10)	(M. F. F. N.) (M. F. F. N.)
136	Molasses, untreated, direct from place of production.....	Gallon.....	3 cents.....	2½ cents.....	17	M. F. F. N.
138	Maple sugar and sirup.....	Ad valorem.....	20 percent.....	17½ percent.....	12	M. F. F. N.
140	Sirups and molasses, n. o. p.....	100 pounds.....	50 cents.....	45 cents.....	10	M. F. F. N.
141	Sugar, candy, and confectionery, n. o. p.: (ex.) Candied sweets, sugar plums, and gums.....	(Pound..... And ad valorem.....)	(½ cent..... 35 percent.....)	(0.45 cents..... 31½ percent.....)	(10) (10)	(M. F. F. N.) (M. F. F. N.)
167	Malt, etc.....	Pound.....	¾ cent.....	¾ cent.....	33	M. F. F. N.
168	Malt sirups, extracts, flour, etc.....	(Pound..... And ad valorem.....)	(10 cents..... 35 percent.....)	(5 cents..... 30 percent.....)	(50) (14)	(M. F. F. N.) (M. F. F. N.)
258	Linseed or flaxseed oil, etc.....	100 pounds.....	\$1.65.....	\$1.55.....	6	M. F. F. N.
259	Lard oil, etc.....	Ad valorem.....	25 percent.....	22½ percent.....	10	M. F. F. N.
262	Olive oil, n. o. p.....	Ad valorem.....	20 percent.....	17 percent.....	15	M. F. F. N.
TEXTILE RAW MATERIALS						
520	Raw cotton and cotton linters.....	Free.....	Free.....	Free.....	—	Bound M. F. F. N.
549	Wool, etc., combed or less.....	Pound.....	15 cents.....	10 cents.....	33	M. F. F. N.

¹ Provision is made that in no case shall the value for duty contain an advance over invoice value greater than 80 percent of the lowest advanced value in effect during the last 4 years.

² Waived.

BELGIAN AGREEMENT

The following table shows the agricultural products which, when imported into Belgium, will be affected by the trade agreement.

No.	Belgian tariff Item	Old duty ¹	New duty ¹	Percentage reduction
ANIMAL PRODUCTS				
16-A	Lard, natural.....	Free	Free	(²) Bound
47	Entrails, fresh, salted, or dried.....	Free	Free	(²) Bound
212-a-2	Pork, other than simply salted.....	120.75	(²)	(²)
Ex. 214	Canned pork tongues.....	4220.75	\$90.00	\$25.5
VEGETABLE PRODUCTS				
11	Honey, natural.....	92.00	60.00	34.8
51-g-1	Rice, unhusked.....	Free	Free	Bound
51-g-2	Rice, husked.....	Free	Free	Bound
55-a	Groats and semolina of oats (oatmeal).....	41.60	30.00	27.9

¹ Franc per 100 kilos (1933, 1 franc=\$0.03580).

² Grant quota of 3,207,000 kilos average of imports, 1929-33, inclusive.

³ Grant quota of 1,044,000 kilos (average, 1929-33). Duty free, but subject to increase.

⁴ Import license tax 300 francs.

⁵ Import license tax, 200 francs.

⁶ Import tax reduction 33.3 percent.

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
BELGIAN AGREEMENT—continued

Belgian tariff		Old duty	New duty	Percentage reduction
No.	Item			
VEGETABLE PRODUCTS—continued				
57-b	Corn starch	27.60	27.60	(7)
73-b	Apricots, dried:			
	1. In containers weighing over 25 kilos	41.40	30.00	27.5
	2. Otherwise	86.25	50.00	42.0
Ex. 78-b-3	Grapefruit	41.40	20.00	51.7
Ex. 91	Peaches, dried	103.50	50.00	51.7
93-a	Pears, fresh, imported, in cases, boxes, baskets, or other packages weighing 20 kilos or less (including pears in larger containers if wrapped in paper or other protecting material)	172.50	86.25	50.0
Ex. 94-a	Pears, dried, for table use	82.80	60.00	27.5
95-a	Apples, fresh:			
	Imported:			
	A. From Apr. 1 to Aug. 31	25.00	25.00	Bound
	B. From Sept. 1 to Mar. 31	28.75	28.75	
95-b	Apples, dried:			
	1. Peeled	62.10	41.40	33.3
	2. Not peeled	20.70	20.70	
97	Prunes:			
	a. Imported in containers weighing 10 kilos or less	138.00	103.50	25.0
	b-1. In casks of at least 180 kilos or in sacks of at least 80 kilos, without interior packing, having per ½ kilo:			
	A. Up to 90 prunes	80.00	60.00	25.0
	B. 91 to 100 prunes	60.00	45.00	25.0
	C. Over 100 prunes	40.00	30.00	25.0
	b-2. Imported otherwise:			
	A. Up to 90 prunes	100.00	75.00	25.0
	B. 91 to 100 prunes	74.00	55.50	25.0
	C. Over 100 prunes	50.00	37.50	25.0
99-b	Fruits, dried	34.50	34.50	Bound
225-b	Canned fruits, in cans of 3 kilos or less	276.00	200.00	27.5
Ex. 273-a	Linseed oilcake	¹ Free	² Free	(18)
277-a	Unstemmed leaf tobacco	500.00	500.00	Bound

¹ Quota increased from 606,400 to 678,528 kilos; 11.2 percent quota increase.
² Import quota license tax of 10.00 francs.

¹ Quota restriction removed; tax reduced to 7.50 francs.
² Tax reduction, 25 percent.

BRAZILIAN AGREEMENT

The following table shows the agricultural products which, when imported into Brazil, will be affected by the new trade agreement. The list includes both those products on which reductions in import duties will be made, and those on which the present duty rates have been bound against increase during the life of the agreement.

Brazilian tariff		Unit	Old rate	New rate	Percentage reduction
No.	Item				
ANIMAL PRODUCTS					
37	Hides and skins; prepared or tanned, not specified: Colored or glazed	¹ L. K.	Milreis 158600	Milreis 113440	26¾
98	Milk: In powder, tablets, or other state, with or without sugar	¹ L. K.	4\$160	2\$600	37½
VEGETABLE FOOD PRODUCTS					
225	Fruit: Plums, cherries, quinces, figs, apples, melons, strawberries, peaches, pears, grapes, and similar, fresh or green		Free	Free	Bound
230	Preserved fruits: Any other fruits: In alcohol, sugar sirup, or honey (jams), solid pack, jelly or pulp	¹ L. K.	7\$800	6\$240	20
240	Cereals, garden produce, and vegetables:				
	P. preserved asparagus	¹ L. K.	5\$200	2\$600	50
	A ¹ others, preserved in any manner, with or without mixture of fruits, in solid pack, except tomatoes, or prepared in any other manner	¹ L. K.	5\$200	4\$160	20
245	Flours: Of oats	¹ L. K.	1\$560	0\$780	50

¹ L. K. means legal kilo measure.

NOTE.—Note 51 of the Brazilian tariff is maintained in its entirety.

COLOMBIAN AGREEMENT

The following table shows the agricultural products which, when imported into Colombia, will be affected by the trade agreement.

Colombian tariff		Old duty (Colombian pesos), (per gross kilo)	New duty (Colombian pesos), (per gross kilo)	Percentage reduction
No.	Item			
Animal products:				
44	Meats, different from those classified in numerals 46 and 47	0.45	0.30	33¼
47	Hams, "butifarras", sausages, and similar foodstuffs, even when preserved in boxes, etc.	.80	.50	37½
50	Milk, condensed, evaporated or in powder	.15	.10	33¼
50-A	Prepared milks for children, including those that have as a principal base milk and malt, such as Horlick's	.15	.05	66¾
	Malted Milk, Mellen's Food.			
50-B	Pure milk and cream, liquid	.15	.15	Bound
52	Hog lard	.30	.15	50
Vegetable products:				
10	Oats and other cereals, crushed, pearled, husked, excluding wheat:			
	Under numeral 10: Quaker oats	.08	.08	Bound
12-A	Cornstarch (Maicena)	.20	.15	25
16-A	Soda crackers and prepared breakfast cereals, such as Corn Flakes, Grape Nuts, Force, etc.	.80	.60	25
19	Fresh potatoes, under numeral 19: Sweetpotatoes, potatoes, and other edible tubers, fresh	.06	.05	16¾
21	Grains and vegetables designated in numerals 18 to 20, preserved in tins, etc.	1.00	.30	70
22	Fresh fruits, under numeral 22: Olives, almonds, peanuts, pistachio nuts, hazelnuts with or without shell, chestnuts, coconuts, nuts shelled or unshelled.	.40	.20	50
23	Fruits of all kinds, dried in the natural, under numeral 23: Dried fruits	.50	.25	50
24-B	Fruits preserved in their own juice, in sirup or in liquor	1.00	.50	50
55	Foodstuffs not specified in other parts of the tariff:			
	Cocornalt, Toddy, Bosco, and similar foods	.37	.30	19
766	Tobacco in leaf, cut tobacco	10.00	5.00	50

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
CUBAN AGREEMENT

The following table shows the agricultural products which, when imported into Cuba, will be affected by the trade agreement.

No.	Item	Margin of preference to United States		Rate to United States in Cuban pesos ¹ (per 100 kilos)		Reduction on rates
		Old	New	Old	New	
ANIMAL PRODUCTS						
		Percent	Percent			Percent
239	Hog lard, neutral hog lard, lard oil, lard stearine	20	20	21.16	\$ 5.00	76.4
240	Compound lard	20	20	25.52	\$ 16.00	37.3
244-C	Oleo oil with a minimum fusion point of 41° C.	20	20	40.00	\$ 16.00	60
102-C	Other crude animal oils and fats including neat's-foot oil and crude tallow	20	20	.20	\$ 1.20	Bound
102-D	Edible tallow, containing not more than 2 percent of free fatty acids	20	20	2.40	\$ 2.40	Bound
102-E	Oleo stearine with minimum fusion point of 47° C., and not containing more than 2 percent of free fatty acids	20	20	2.40	\$ 2.40	Bound
102-F	Crude and impure hydrogenated animal oils and fats, imported directly for soap-making, denatured	20	20	2.40	\$ 1.60	33.3
238-C	Pickled or salted pork	20	25	14.40	\$ 9.00	37.5
241-A	Bacon or salted and smoked pork	20	30	16.80	\$ 13.125	21.9
241-B	Salted fat pork	20	25	14.40	\$ 9.00	37.5
242-A	Cured or smoked hams or shoulders	20	30	19.20	\$ 14.42	24.9
242-B	Sugar-cured hams or shoulders	20	30	24.00	\$ 21.00	12.5
273-A	Canned beef, mutton, or pork	20	25	.32	.30	6.3
VEGETABLE PRODUCTS						
274-C	Refined cottonseed oil, corn oil, and soybean oil	20	30	13.00	\$ 3.01	76.9
274-D	Other refined vegetable oils	20	30	15.60	\$ 4.025	74.2
101-A	Crude cottonseed oil, corn oil, and soybean oil	20	35	10.40	\$ 1.95	81.3
101-E	Hydrogenated vegetable oils and fats imported directly for soap making, denatured	20	20	2.40	\$ 1.60	33.3
101-G	Nonspecified vegetable oils, crude or impure	20	30	12.00	\$ 3.01	75
101-H	Residues from refining cottonseed oil, with not more than 60 percent of free fatty acids	20	20	.50	\$ 1.50	Bound
101-I	Residues from refining cottonseed oil, with more than 60 percent free fatty acids	30	20	3.85	\$ 1.80	79.2
253-A	Unhulled rice (duty combined with consumption tax)	40	50	1.92	\$ 1.60	16.7
253-B	Hulled and semihulled rice (duty combined with consumption tax)	40	50	2.22	\$ 1.85	16.7
255-A	Corn	30	30	2.73	\$ 2.73	Bound
255-D	Oats	20	40	1.12	\$ 1.78	30.4
256-A	Wheat flour	30	30	.91	\$.91	Bound
Note: Wheat flour made entirely of wheat grown in the United States shall be accorded a preference of 40 percent.						
256-C	Corn flour	30	30	3.92	\$ 3.64	7.2
	Corn meal	20	30	6.00	\$ 3.64	39.3
256-D	Oat flour	20	20	1.40	\$ 1.30	7.2
	Oatmeal	20	20	6.00	\$ 1.30	78.3
256-E	Flours of other cereals	20	20	1.60	\$ 1.60	Bound
	Meals of other cereals	20	20	6.00	\$ 1.60	73.3
256-F	Wheat semolina	20	30	6.00	\$ 2.10	65
257-B	Red and pink beans	20	25	4.00	\$ 3.75	6.3
257-C	White beans	20	50	2.00	\$ 2.00	Bound
257-E	Nonspecified beans and lentils	20	40	4.00	\$ 3.00	25
258-A	Peas	20	30	2.08	\$ 1.82	12.5
259-A	Onions, imported from Nov. 15 to the following June 15, inclusive	20	20	4.00	\$ 4.00	Bound
259-B	Onions, imported from June 16 to Nov. 14, inclusive	20	50	4.00	\$ 2.50	37.5
260-B	Potatoes, imported from Nov. 1 to the following June 30, inclusive	20	20	4.00	\$ 4.00	Bound
260-C	Potatoes, imported from July 1 to Oct. 31, inclusive	20	50	4.00	\$ 2.00	50
260-D	Cauliflower, celery, cucumbers, tomatoes, and other fresh garden truck	20	20	1.60	\$ 1.60	Bound
260-E	Other nonspecified fresh garden truck	20	20	1.60	\$ 1.60	Bound
262-B	Apples, pears, peaches, plums, cherries, grapes, and other similar fruits	20	20	1.20	\$ 1.20	Bound
262-D	Melons, imported from July 15 to the following Jan. 31, inclusive	20	40	4.00	\$ 1.20	70
262-E	Other fresh fruits, not specified	20	20	1.60	\$ 1.60	Bound
264-A	Figs and raisins	20	30	1.56	\$ 1.365	12.5
264-B	Other dried or evaporated fruits	30	30	3.20	\$ 2.80	12.5
265-B	Walnuts, filberts, and similar nuts	20	20	1.56	\$ 1.20	23.1
269-A	Dried hay	20	40	1.68	\$ 1.17	30.4
269-B	Stalks and heads of millet	20	20	1.68	\$ 1.20	28.5
269-C	Other herbage, leaves, and plant waste for animal feeds	20	20	1.12	\$ 1.04	7.2
269-D	Bran and hulls of cereals	20	20	.40	\$.40	Bound
269-E	Cake, paste, powder, and meal of oleaginous seeds for animal feeds	20	40	2.64	\$ 1.20	54.6
269-G	Mixed poultry feeds	20	30	2.40	\$ 1.40	41.7
269-H	Other nonspecified animal feeds	20	30	3.92	\$ 3.185	18.8
271-F	Canned peas, sweet corn, and asparagus	30	40	.084	\$.072	14.3
271-G	Nonspecified canned vegetables	30	30	.084	\$.084	Bound
272-B	Canned pears, peaches, plums, apricots, and the like	40	40	.072	\$.06	16.7
273-C	Sauces, mustard, and food extracts for seasoning	20	40	.128	\$.096	25
273-E	Nonspecified canned foods	20	40	.192	\$.144	25
289	Jams and jellies, caramels, sweetmeats, candies of all kinds, and chewing gum	20	40	.24	\$.18	25
291-A	Ordinary crackers	20	20	3.20	\$ 3.20	Bound
291-B	Fine crackers of all kinds, not containing more than 15 percent of chocolate or sweetmeats	20	20	6.40	\$ 6.40	Bound
291-C	Fine crackers containing more than 15 percent and less than 30 percent of chocolate or sweetmeats	20	20	(²)	\$ 16.80	(⁴)
296-A	Unmanufactured tobacco in the leaf	(²)	20	11.00	\$ 8.80	20
296-B	Tobacco stems	(²)	20	.27	\$.216	20
TEXTILE RAW MATERIAL						
112-A	Raw cotton	30	30	.35	\$ 1.35	Bound

¹ Cuban peso equals approximately \$1.

² Not to be increased during life of agreement.

³ \$04 if of chocolate, \$24 if of sweetmeats.

⁴ 73.8% reduction if of chocolate; 30% if of sweetmeats.

⁵ No preference.

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
HAITIAN AGREEMENT

The following table shows the agricultural products which, when imported into Haiti, will be affected by the trade agreement.

Haitian tariff		Unit ¹	Old rate	New rate	Percentage reduction
No.	Item		(Gourdes=\$0.20)		
ANIMAL PRODUCTS					
12003	Beef, mutton, or pork, fresh or refrigerated.....	G. K.	0.30	0.10	66⅔ percent.
12006	Beef and pork, smoked or salted, not specified, including jerked beef.....	G. K.	.30	.30	Bound.
12007	Beef and pork, pickled in brine.....	G. K.	.25	.25	Do.
12008	Tongues, heads, tails, jaws, or feet, salted or pickled in brine.....	G. K.	.20	.20	Do.
12011	Lard of pork or of other animal origin, however packed.....	N. K.	.50	.375	25 percent (conditional). ³
12418	Common cheese, packaged or not, including Cheddar, Swiss type, Edam type, Gouda type, processed cheese, and the like.	N. K.	1.00	.60	40 percent.
12420	Butter.....	N. K.	1.60	.30	50 percent in specific rate.
12423	Evaporated milk or cream and any kind of milk, preserved, concentrated, condensed, or powdered..	N. K.	1.30	(9)	50 percent in ad valorem rate.
12424	Malted milk, infants' food, and like preparations.....	N. K.	1.30	(9)	Do.
VEGETABLE PRODUCTS					
12130-a	Fresh apples, grapes, and pears.....	N. K.	1.10	.06	40 percent in specific rate.
12131-a	Raisins, prunes, and apricots, pressed, dried, or desiccated, packaged in any form.....	N. K.	1.25	1.16	36 percent in specific rate.
12135-b	Certified seed potatoes, when cut in pieces, with the eyes plainly visible.....	N. K.	.12	Free	100 percent.
12404-a	Peaches, pears, apricots, berries, cherries, apples, and fruits for salad, preserved in their juice, in sirup or in water.	N. K.	.40	.26	35 percent.

¹ G. K. = Gross kilo; N. K. = Net kilo.

² In accordance with par. 2 of art. I of the general provisions the tariff-rate reductions on these commodities will become effective during any fiscal year when the budget of expenditures of the Republic of Haiti is promulgated in the amount of gourdes 40,000,000 or more.

³ Or 20 percent ad valorem.

⁴ 10 percent ad valorem.

GENERAL NOTE.—The present customs surtax of 5 percent of the duty will continue to apply when the new rates of duty become effective.

HONDURAN AGREEMENT

The following table shows the agricultural products which, when imported into Honduras, will be affected by the trade agreement.

Honduran tariff		Old rate (lempiras ¹)	New rate (lempiras ¹)	Percentage reduction
No.	Item			
ANIMAL PRODUCTS				
602, 1564, 2287	Hams, sausages, and other kinds of meat, preserved or packed in containers of tin, earthenware, and glass, except salt beef and corned beef	0.42	0.27	36
1563, 2286, 2501	Hams, shoulders, bacon, and sausages, smoked, in unspecified containers	.50		46
1644	Condensed milk	.35	.22	37
1644	Evaporated milk	.45		51
1645	Dried skimmed milk	.30	.20	33½
1645	Dried whole milk	.30	.15	50
1765	Butter	.22	.15	32
		.22	.22	Bound
		1.32	.42	68
VEGETABLE PRODUCTS				
687	Breakfast foods other than rolled oats and oatmeal	.20	.20	Bound
687	Rolled oats and oatmeal	.20	.10	50
1287	Fresh apples, pears, plums, grapes, cherries, and strawberries	.05	.05	Bound
1288	Canned fruits	.52	.14	73
1289, 1290, 1292	Dried fruits of all kinds	.12	.08	33½
1314	Biscuits and crackers, not sweetened or flavored	.32	.16	50
1314	Biscuits and crackers, sweetened or flavored	.32	.32	Bound
1390, 1648, 1737, 2017, 2057	Canned tomatoes (including tomato paste), corn, peas, and asparagus	.32	.11	66
		.38		71
		.42		74
1402	Flour, wheat	.12	.12	Bound

¹ Lempira equaled \$0.49 November 1935.

NETHERLAND AGREEMENT

The following table shows the agricultural products which, when imported into the Netherlands, will be affected by the trade agreement.

Netherland tariff		Old quota (in metric tons)	New quota (in metric tons)	Duty binding for pre- vailing rates	Nature of concession
No.	Item				
SECTION A. NETHERLANDS					
Ex. 104	Animal products: Pure lard and steam lard			Free	Bound. NOTE.—Entry free of duty is bound when used for the fabrication of margarine, technical production or reexport. Exemption and refund provisions of crisis taxes are consolidated and special conditions provided for any future quantitative limitations on imports.
Ex. 104	Oleomargarine (oleo oil)			Free	Bound. NOTE.—Entry free of duty is bound when used for the fabrication of margarine, technical production or reexport. Exemption and refund provisions of crisis taxes are consolidated and specified.
Ex. 104 II. B.	Oleo stearine: 1. When fluid at 15° C. 2. Other			100 net kilos florin 0.70. Free	Bound. NOTE.—Duty treatment is bound as specified when used for the fabrication of margarine, technical production or reexport. Exemption and refund provisions of crisis taxes are consolidated and specified.
Ex. 104, II. B.	Grease stearine: 1. When fluid at 15° C. 2. Other			100 net kilos florin 0.70. Free	Bound. NOTE.—Duty treatment is bound as specified when used for the fabrication of margarine, technical production or reexport. Exemption and refund provisions of crisis taxes are consolidated and specified.

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
NETHERLAND AGREEMENT—continued.

Netherlands tariff		Old quota (in metric tons)	New quota (in metric tons)	Duty binding for pre- valuing rates	Nature of concession
No.	Item				
SECTION A. NETHERLANDS—CON.					
Animal products—Continued.					
Ex. 146, VI. B. 1. b.	Horse meat, salted.....	(1)	1,000	Florins 7.50 per 100 kilos.	Bound.
Vegetable products:					
Ex. 129, I.	Leaf tobacco; seed leaf, Maryland, Kentucky, and Virginia types.			Florins 1.40 per 100 kg.	Do.
Ex. 148, I. 4.	Fresh apples.....			12 percent.....	Do. NOTE.—The present monopoly fee is bound against increase, while for the period March-June, inclusive, it will be reduced by one-half for a quantity of 13,500 metric tons from the United States. Assurances are given concerning the application of the lower (fl. 0.02) rate prior to March in years of Netherlands crop shortage.
Ex. 148 I. 5.	Fresh pears.....			do.....	Bound. NOTE.—The present monopoly fee is bound against increase, while for the period February-June, inclusive, it will be reduced by one-half for a quantity of 2,300 metric tons from the United States. Assurances are given concerning the application of the lower (fl. 0.02) rate prior to February in years of Netherlands crop shortage.
Ex. 148 I. 6.	Dried prunes.....			do.....	Duty bound. NOTE.—The monopoly import fee is reduced, by one-half, from florin 0.04 per kilo to florin 0.02 per kilo.
Ex. 148 I. 11.	Raisins.....			do.....	Duty bound. NOTE.—The monopoly import fee is reduced, by one-half, from florin 0.02 per kilo to florin 0.01 per kilo.
Ex. 148 I. 16.	Apricot kernels.....			10 percent.....	Duty bound.
Ex. 148 I. 18.	Grapefruit.....			12 percent.....	Duty bound. NOTE.—The existing monopoly import fee is entirely removed.
Ex. 148 III. B. and C.	Canned fruits:				
	1. Containers of 1.2 kilos or less.			30 percent.....	
	2. Containers of 1.2 kilos but not over 5 kilos.			15 percent.....	Bound. NOTE.—Monopoly import fees are bound as follows: (A) can- ned pineapple, ¹ florin 0.075 per kilo; (B) other canned fruit, (1) if containing more than 5 percent added sugar, ² florin 0.05 per kilo; (2) if containing 5 percent or less added sugar (a) in containers of not more than 1.2 kilos, florin 0.10 per kilo; (b) in containers of over 1.2 kilos but not over 5 kilos, florin 0.05 per kilo.
Ex. 148 III. C. 1 (a) and 3 (a).	Canned asparagus, for con- tainers of:				
	1. 1.2 kilos or less.....			30 percent.....	
	2. Over 1.2 kilos but not over 5 kilos.			15 percent.....	Bound.
	3. Over 5 kilos.....			10 percent.....	
Ex. 148 III. C. 1 c.	1. Rolled oats and cereal breakfast foods: In bulk.			Free.....	
	2. Rolled oats and oat grits: In packages.			10 percent.....	Bound. NOTE.—It is conceded that the monopoly import fee on rolled oats, packaged or not, shall be reduced so that it shall not exceed 144 times whatever monopoly import fee may be in effect at any time for oats. Based on the present fee for oats (for human con- sumption) this reduces the fee on rolled oats from 8 florins to 5.83 florins per 100 kilos.
Ex. 148 I. 24.	"Peeled" and cleaned or polished rice.	1,784	3,500		
	1. In bulk.....			Free.....	Bound.
	2. In packages.....			10 percent.....	
Ex. 148 I.	Wheat flour ³				
	Milling wheat ³				
	Soybean cake.....		2,500		
Ex. 148 I.	Textile raw material:				
	Cotton, raw, in bulk.....			Free.....	Bound.
SECTION B. NETHERLAND INDIES					
Vegetable products:					
Ex. 34 II.	Fresh apples.....			30 percent.....	Do.
Ex. 34 II.	Fresh grapes.....			do.....	Do.
Ex. 36.	Dried fruits, n. e. s., ex- cept dates and tama- rinds.			do.....	Do.
Ex. 93 and ex. 42.	Oatmeal, oat flakes, corn flakes, wheat flakes, rice flakes; and grits.			18 percent.....	Do.
Ex. 97 II.	Fruits, in water, sirup, or wine.			30 percent.....	Do.
Ex. 101 and ex. 103.	Vegetables, preserved; also asparagus and arti- chokes; in bottles and glass jars or other air- tight containers.			do.....	Do.
Ex. 121 I.	Leaf tobacco.....			Florins 18.....	Do.

¹ No separate quota.

² For containers of not over 5 kilos.

³ The Netherlands Government undertakes to purchase annually from mills in the United States of America a quantity of wheat flour equivalent to not less than 5 percent of the annual total wheat-flour consumption in the Netherlands, provided that the price of such wheat flour delivered in the Netherlands is competitive with the price of other foreign wheat flour of comparable grade and quality. The Netherlands Government undertakes to purchase annually a quantity of milling wheat originating in the United States of America equivalent to not less than 5 percent of the annual total consumption of foreign milling wheat in the Netherlands, provided that the price of the milling wheat originating in the United States of America is competitive with the world price for milling wheat of comparable grade and quality.

NOTE 1.—Of the total annual quantities of either milling wheat or wheat flour originating in the United States of America which the Netherlands Government undertakes to purchase pursuant to the foregoing provisions, one-twelfth part thereof will be purchased each month unless purchases for 1 or more months are made in advance. If in any month the prices of milling wheat or wheat flour originating in the United States of America are not competitive and for this reason the monthly purchases are smaller than those provided for above, the Netherlands Government shall not be obligated to compensate for such deficiency by correspondingly increased purchases in later months.

NOTE 2.—The Netherlands Government will give sympathetic consideration to any representations which the Government of the United States of America may make with respect to any matter pertaining to the application of the provisions of this schedule.

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
NICARAGUAN AGREEMENT

The following table shows the agricultural products which, when imported into Nicaragua, will be affected by the trade agreement.

No.	Item	Unit ¹	Old rate (cordobas ²)	New rate (cordobas ²)	Percentage reduction
NICARAGUAN TARIFF					
ANIMAL PRODUCTS					
956	Hog lard and other lard of animal origin, however packed.....	N. K.	0.12	0.10	17
Ex. 1073	Condensed milk or cream.....	N. K.	.12	.07	42
Ex. 1073	Evaporated milk or cream.....	N. K.	.12	.04	67
Ex. 1073	Dried whole milk or cream.....	N. K.	.12	.10	17
Ex. 1073	Dried skimmed milk or cream.....	N. K.	.12	.07	42
VEGETABLE PRODUCTS					
964	Wheat flour.....	100 N. K.	2.10	2.10	Bound
987	Raisins, dates, figs, prunes, and similar pressed fruits, including dried apples, peaches, apricots, and pears.....	N. K.	1.20	1.12	40
990	Beans, dried.....	100 N. K.	1.00	1.00	Bound
1042	Fruits, preserved in their own juice, in sirup, or in water, in any container.....	N. K.	1.12	1.08	33
1078	Preserved vegetables of all kinds (other than pickled), n. o. p., in any container.....	N. K.	1.16	1.10	37

¹ N. K. = net kilo.

² Cordoba = \$1 United States for customs purpose, March 1936.

³ So long as the present Franco-Nicaraguan commercial treaty remains in force, the most-favored-nation provision of the agreement assures the products of the United States of a rate of duty at least one-quarter below duties specified in the column headed "Old rate."

SWEDISH AGREEMENT

The following table shows those agricultural products which, when imported into Sweden, will be affected by the trade agreement

No.	Item	Old duty (Swedish crowns per 100 kilos ¹)	New duty (Swedish crowns per 100 kilos ¹)	Percentage reduction
SWEDISH TARIFF				
ANIMAL PRODUCTS				
26	Pork, salted.....	12.00	12.00	Bound.
VEGETABLE PRODUCTS				
Ex. 130	Apples, fresh (entering during period Feb. 1 to Apr. 30, inclusive).....	10.00	10.00	Rate reduced 50 percent for month of January.
	Apples, fresh (entering during period May 1 to Jan. 31, inclusive).....	20.00	20.00	
	Apples, fresh (entering during period Jan. 1 to Apr. 30, inclusive).....		10.00	Rate reduced 50 percent for months of December and January.
	Apples, fresh (entering during period May 1 to Dec. 31, inclusive).....		20.00	
Ex. 131	Pears, fresh (entering during period Feb. 1 to Apr. 30, inclusive).....	10.00	10.00	Rate reduced 50 percent for months of December and January.
	Pears, fresh (entering during period May 1 to Jan. 31, inclusive).....	20.00	20.00	
	Pears, fresh (entering during period Dec. 1 to Apr. 30, inclusive).....		10.00	Rate reduced 50 percent for months of December and January.
	Pears, fresh (entering during period May 1 to Nov. 30, inclusive).....		20.00	
Ex. 132	Grapefruit (entering during period Feb. 1 to Apr. 30, inclusive).....	10.00	Free	100 percent.
	Grapefruit (entering during period May 1 to Jan. 31, inclusive).....	20.00	Free	100 percent.
Ex. 135	Apricots and peaches, dried.....	Free	Free	Bound.
137	Prunes, dried.....	Free	Free	Bound.
Ex. 138	Pears, dried.....	Free	Free	Bound.
Ex. 139	Apples, dried.....	Free	Free	Bound.
140	Mixed fruits for salad, dried.....	Free	Free	Bound.
Ex. 142	Raisins.....	15.00	Free	100 percent.
188	Rice, milled.....	2.00	2.00	Bound.
198	Cornstarch.....	20.00	20.00	Bound.
Ex. 307	Cereal breakfast foods.....	20.00	15.00	25 percent.
Ex. 310	Pineapple, sweet, preserved in large containers.....	50.00	20.00	60 percent.
313	Coffee substitutes (not containing coffee).....	20.00	20.00	Bound.
Ex. 318	Canned fruits:			
	Peaches.....		50.00	33.3 percent.
	Apricots.....		50.00	33.3 percent.
	Pineapples.....		30.00	60.0 percent.
	Pears.....		50.00	33.3 percent.
	Mixed fruits for salad.....		50.00	33.3 percent.
	Grapefruit.....		30.00	60.0 percent.
NOTE.—Canned fruits intended for use in the confectionery industry or for the production of sweet-preserves or marmalades entering in containers of sizes not suitable for retail trade are not included in this number. They are dutiable at lower rates.				
Ex. 321	Canned soups.....	75.00	50.00	33.3 percent.
Ex. 321	Canned pork and beans.....	75.00	50.00	33.3 percent.
359	Cottonseed cake.....	Free	Free	Bound.
361	Linseed cake.....	Free	Free	Bound.
365:1	Copra cake.....	Free	Free	Bound.
365:2	Other oilcake.....	Free	Free	Bound.
901	Cotton, uncarded.....	Free	Free	Bound.

¹ 1933, 1 Swedish crown equaled \$0.2195.

² For all kinds.

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
SWISS AGREEMENT

The following table shows the agricultural products which, when imported into Switzerland, will be affected by the trade agreement.

No.	Item	Swiss tariff	Old quota (quintals ¹)	New quota (quintals ¹)	Old duty (in francs per quintal ²)	New duty (in francs per quintal ²)	Percentage reduction on duty
ANIMAL PRODUCTS							
95	Lard ³		(⁴)	(⁴)	* 20.00	* 20.00	50 percent (by suppression of supple- mentary duty). Bound.
149	Bladders, intestines, rennet				2.00	2.00	
VEGETABLE PRODUCTS							
1	Wheat		Zero	1,180,000	.60	.60	
12	Rice in milled, husked, or broken grains; groats or semolina of rice		20,000	20,000	4.50	4.50	Bound.
24a	Apricots, apples, pears, fresh, but not in bags or in bulk		24,146	24,146	5.00	5.00	
25a-1	Plums and prunes, dried or pressed, not pitted, in containers of all kinds weighing 50 kilograms or more		15,000	24,709	5.00	5.00	Bound.
25a-2	Plums and prunes, dried or pressed, not pitted, in containers of all kinds weighing less than 50 kilograms				15.00	10.00	33½ percent.
27	Fruits, dried or pressed, pitted or stoned		10,600	11,000	50.00	* 40.00	20 percent.
33	Raisins of all kinds, except Malaga raisins and Denia raisins in clusters				10.00	10.00	Bound.
44b	Vegetables preserved in vinegar or otherwise, in containers of all kinds weighing 5 kilograms or less, other than preserved tomatoes, but including preserved asparagus		6,500	10,000	40.00	* 40.00	Bound.
101b	Preserved fruits of all kinds, including those in sugar or in alcohol, in any type of container (including candied fruits), except those classified under number 101a.				55.00	45.00	18.2 percent.
TEXTILE RAW MATERIAL							
341	Cotton, raw				.20	.20	Bound.

¹ Quintal equals 220 pounds.

² 1934, Swiss franc equals \$0.324.

³ The Swiss Government agrees that not less than 90 percent of the total permitted importations of lard shall consist of lard originating in the United States of America. The annual quota thus allotted to the United States shall be divided into four equal calendar quarter quotas. Should any part of such quarterly quota not be utilized, the unused portion thereof may be reallocated to other countries. If, however, an import permit issued to a given importer has not been utilized within 30 days of its issuance, the Swiss authorities agree to offer to all other importers entitled to import lard from the United States the right to import, within 30 days, the quantity stipulated in the said permit. The Swiss Government will authorize the importation of lard within 3 months after this agreement comes into force.

⁴ Embargo on imports.

⁵ 90 percent of total Swiss importation when importation is resumed.

⁶ Plus 20.00.

⁷ Supplementary duty suppressed.

⁸ On apricots.

⁹ On asparagus.

PERMISSION TO ADDRESS THE HOUSE

Mr. PIERCE. Mr. Speaker, I ask unanimous consent that on Monday next, April 6, after the reading of the Journal and disposition of business on the Speaker's table, I may be permitted to address the House for 15 minutes in reply to the gentleman from New York in connection with his criticism of the Secretary of Agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. RICH. Mr. Speaker, reserving the right to object, if the gentleman can defend the Secretary of Agriculture in connection with things he has done in this administration, the gentleman from Oregon ought to be given an hour.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

EXTENSION OF REMARKS

Mr. MOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial appearing in this morning's Washington Herald entitled "Polecat Politics."

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. ZIONCHECK. Mr. Speaker, I object to the editorial. I do not object to the gentleman's remarks.

NEW ENGLAND TODAY AND TOMORROW

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address that I made.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. BREWSTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address which I delivered on March 26, 1936, over the radio:

The Yankee network is to be cordially commended for the patriotic service it is rendering not only to New England but to the Nation and possibly to the world by developing these New England town meetings of the air. In these tumultuous times many ponder whether or not government of the people can cope with the stupendous problems of these days. Across the seas dictatorships are established and parliaments are abolished.

Dictatorships in their inception sometimes offer a glittering contrast to the inefficiency and paralysis that often seems to be characteristic of popular government.

The sturdy individualism of New England developed in the town meetings and giving its stamp to the pioneers who did so much to make America in the last century needs now to reassert itself in coping with these new problems and demonstrating the capacity of revitalized patriots to see and think and speak in terms of a nation and a world in dire distress.

The remarkable response of New England communities to the appeal of the Red Cross for funds to assist in flood relief demonstrates that the voluntary spirit of cooperation has not disappeared in any abject dependence upon governmental aid.

In recent years the Government has done much in many lines.

Northern New England realizes the significance of the Passamaquoddy development in giving relief to those who are in need, and in assisting in the industrial rehabilitation of an area that was certainly depressed.

We profoundly appreciate the consideration of the authorities in Washington and their readiness to help in every way with the funds that have been placed at their disposal and the authority that they may now exercise. New England, however, seems more than ever determined to do everything within its power to help itself in the solution of the problems with which we are faced.

It is our understanding here in Washington that the Red Cross is assisting all communities in extending aid to those suffering from the recent devastating floods and that the Red Cross expects to help greatly in individual rehabilitation in homes and farms.

Meanwhile the Works Progress Administration, otherwise known as the W. P. A., through its administrators in each State will immediately receive and promptly pass upon projects to restore public property of any kind that has been damaged by the floods. This applies to bridges, highways, schoolhouses, waterworks, sewer systems, public buildings of any kind, and any other public property. They ask only that the local community make such contribution as it is able.

In carrying out these projects the usual limitations as to relief labor and material cost will not apply.

All those in authority here in Washington have been most helpful and sympathetic and ready to cooperate in any way within their power. The New England Senators and Representatives have kept in constant touch with their constituencies and with all the governmental agencies which were in a position to render aid and feel assured of prompt action to afford relief.

As the days and the weeks and the months pass by here in Washington one becomes constantly more impressed with the necessity of contacts with the folks back home. Washington is a vampire city living upon the vitality of a nation. Washington easily becomes mesmerized with its own importance as the wires pour in here from every quarter of the land, and yet it is the farms and the factories of the Nation from which alone Washington may draw its life.

One comes in daily contact here with representatives from every section of the United States and with citizens of every

conceivable point of view. Interests and influences of sundry and subtle kinds operate above and below the surface. Every conceivable appeal that may affect human actions is brought to bear here to influence the destiny of a nation.

Yet our constituencies after all are the things we exist to serve. This forum is not the place nor does time permit to discuss the tremendous problems with which this Congress is now faced.

There are not lacking those who feel despair over the capacity of a great self-governing democracy to face the challenge of the economic and social mechanism we have evolved. They suggest the creation of a Frankenstein that will destroy our civilization.

Whether or not our civilization may end in such a catastrophe as have other great civilizations that have preceded us upon this earth, certainly this generation of Americans do not propose to sit idly down and permit our great heritage to be dissipated without a struggle.

There can be no challenge of the profound truth that American democracy may continue to be an example and an inspiration for the struggling peoples of mankind only if the spirit of the New England town meetings shall continue to animate the people of the United States, and they shall individually and resolutely determine the course of their affairs.

The subtle and sinister suggestion that the governmental relief measures incident to this great depression will destroy the independence of the American people and that they will go the way of Greece and Rome, content with their corn and their circuses, is a challenge to the descendants of the 10 generations who have made America preeminent among the nations of the world.

New England has been justly proud of its position as one of the twin settlements from which poured out across a continent the energy and the visitation which have made America what it is today.

New England has long exercised an influence out of all proportion to its size in the councils of the Nation. We should have been more than human if that responsibility had not been sometimes abused and that power sometimes exercised for something less than the welfare of the Nation as a whole.

New England suffers now somewhat for the sins of its fathers in an attitude of mind in other sections of the country that is not always sympathetic with the ideas of New England as to how our national progress may best be served and America made a better nation in which more and better Americans may live richer and better lives.

New England today and tomorrow will be worthy of its past if it shall go forward, true to its ideals and traditions, and more than ever determined to lead the Nation away from the morass in which civilization would inevitably be engulfed if we should yield to the subtle suggestion that popular government is no longer equal to our needs.

The minute men and women of New England may continue to serve the Nation in its hour of greatest need. Surely that opportunity for service lies open before us in individual reconsecration to the spirit of our forefathers and the determination that government of the people, by the people, and for the people shall not perish from the earth.

EXTENSION OF REMARKS

Mr. MOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MOTT. I did not understand the gentleman's objection to my unanimous-consent request. I am not sure just what his objection was.

Mr. ZIONCHECK. Mr. Speaker, I objected to the editorial. I do not care what else the gentleman puts in the Record.

The SPEAKER. The gentleman will restate his request.

Mr. MOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein an editorial appearing in this morning's Washington Herald entitled "Polecat Politics", which has to do with the Black investigation in the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. ZIONCHECK. Mr. Speaker, I object.

The SPEAKER. Under the special order for today, the Chair recognizes the gentleman from Massachusetts [Mr. TREADWAY] for 20 minutes.

THE BUDGET AND FOREIGN-TRADE FALLACIES

Mr. TREADWAY. Mr. Speaker, I ask that I be not interrupted during the course of my remarks, and I also ask unanimous consent to revise and extend my remarks in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FAILURE OF ACTING DIRECTOR OF THE BUDGET TO REPLY TO OFFICIAL CORRESPONDENCE

Mr. TREADWAY. Mr. Speaker, I desire to call the attention of the House and of the country to the manner in

which inquiries of Members of Congress, and probably all citizens, are treated by officials of the administration.

Under date of March 17, and mailed that day, I addressed a letter to the Honorable David W. Bell, Acting Director of the Budget, in which I called attention to the fact that Members of the House have said on the floor that "the Budget for the ordinary appropriations and expenditures is balanced." I asked Mr. Bell for the authority for that statement and inquired whether it was borne out by his accounts.

Under date of March 26 I again wrote to Mr. Bell, calling his attention to the failure of any reply to reach me and added that I would be glad to have information as to the difference between an ordinary budget and an extraordinary budget. I further inquired under what authority of law there are in existence at this time two budgets.

Up to this morning both of my letters remain unanswered. If the inquiry was not a proper one and if Budget information must be confidential and withheld from Members of Congress, well and good, but that is not my conception of the Budget Director's official position nor of mine as a Member of this House. I, therefore, call upon him publicly to furnish this information. If he does not intend to furnish it, ordinary courtesy would require that he answer my two letters and state his reason for not providing the information I have asked for in an official way.

FOREIGN-TRADE FALLACIES

Mr. Speaker, I was quite surprised at reading in the press the other day certain extracts from the speech by a very prominent Republican before the Economic Club in New York City, wherein he seems to have accepted without question the oft-stated but thoroughly misleading doctrine (a) that we are a creditor nation and (b) that to regain our foreign export markets we must accept more imports.

The gentleman evidently has been misinformed regarding our international position and is unfamiliar with our experience in the last 2 years as regards the attempt to increase exports by increasing imports. I feel sure that he would not have embraced this false doctrine if he had been aware of the true facts.

WE ARE NO LONGER A CREDITOR NATION

In the first place, we are not a creditor nation. Mr. George N. Peek, who until recently was foreign-trade advisor to the President, showed in his letter to the President of April 30, 1935, that our book position as of December 31, 1934, as a creditor nation was wholly dependent upon the value of our direct investments abroad, such as branch factories, mines, plantations, public utilities, and so forth, and upon the status of the war debts. Our direct investments are still being carried on our books at the 1929 valuation of nearly \$8,000,000,000, which is 50 to 60 percent too high; and, as far as the actual value of the war debts as an asset is concerned, one man's guess is as good as another's.

If we charged off the war debts and scaled down our foreign investments to the 1936 valuation we find that we are no longer a creditor nation, particularly in view of the large increase in foreign holdings of American securities. Therefore, the argument that we must revise our tariff policy because we are a creditor nation is not sound.

In his reports to the President as foreign trade adviser, Mr. Peek showed that as a result of our international trade in 1934, including both visible and invisible items, we were a net debtor to the world for the year in the amount of \$970,000,000. Largely as a result of our huge purchases of gold and silver, and more recently as a result of increased imports under the so-called reciprocal-trade treaties, we had an adverse balance of visible trade in 1935 amounting to some \$1,841,000,000. This, of course, does not include invisible items, for which statistics are not yet available, which consistently run against us.

Our adverse balance of international trade in the last 2 years has been settled largely by the transfer to foreigners of American-held securities, and has resulted in a corresponding reduction in our net creditor position. I referred to this fact in my remarks of March 4, and in connection

with my remarks of March 17, I inserted in the RECORD a table showing our heavy adverse balance of visible trade during 1934 and 1935. The trend is continuing in the same direction. Therefore, I submit to the proponents of the administration's trade-treaty program the question, whether, on the basis of these facts, we can regard ourselves for practical purposes as a creditor nation, or whether we can accept the theory that we are a creditor nation as a basis for foreign trade and tariff policy?

FOREIGN TRADE INCLUDES MANY INVISIBLE ITEMS

Mr. Speaker, the theory that to regain our export markets we must admit more imports is one of those part truths that is more deceptive than an outright false premise. Many other things besides agricultural and industrial products enter into trade between nations. In addition to merchandise imports and exports, there are the so-called "invisible" items, which include shipping and other services, tourists' expenditures, immigrant and charitable remittances, interest payments, and so on; also gold, silver, and securities. All these items enter into the total balance of payments, and often dominate completely the merchandise balances.

For example, Great Britain, in spite of a definitely adverse balance of merchandise trade, has been able through the sale of her shipping, banking, and other services, and through the receipt of interest from her foreign investments to maintain a favorable balance of payments in 1935 amounting to some 37,000,000 pounds sterling, or approximately \$185,000,000.

So far as our own country is concerned, we have in the past depended on a large favorable balance of merchandise trade to offset the heavy invisible balances against us.

We now find this merchandise balance falling off sharply, having dropped from \$478,000,000 in 1934 to \$234,000,000 in 1935. In February of this year we had an unfavorable balance of merchandise trade in the amount of \$10,191,000 as against a favorable balance of \$10,508,000 in February a year ago. On top of this, we find during 1934 and 1935 a vast excess of imports over exports, including gold and silver, the proceeds of which have been used by foreigners not for additional purchases of American goods and services, or for payment on public and private debts, but for the repatriation of their own bonds at perhaps 25 cents on the dollar, or for the acquisition of American securities and other capital assets.

FOREIGNERS BUYING AMERICAN SECURITIES RATHER THAN GOODS

The vast increase in our imports has not resulted in any perceptible increase of our commodity exports, and therefore has been of no benefit to American agriculture, industry, or labor but has merely made possible a heavy drain on our liquid assets. This whole matter is very thoroughly and authoritatively discussed by Mr. Peek in a speech before the National Industrial Conference Board last October, which I commend to the attention of the House as being unchallenged, and in my opinion unchallengeable.

INCREASED IMPORTS HAVE NOT RESULTED IN INCREASED EXPORTS

I say emphatically that increased imports do not necessarily result in increased exports. This has been our experience during the past 2 years, and experience is to be relied upon more than theory. It has been said that in order to get foreign countries to purchase from us we must put additional purchasing power in their hands by letting them sell us more of the goods we consume here in the home market. This the administration has done, to the injury of our own farmers, manufacturers, and workingmen who were deprived of the opportunity to supply the domestic market with their products. However, in spite of the fact that in 1935 we imported foreign goods in the amount of \$2,047,000,000, an increase of 24 percent over 1934, and in spite of the fact that we bought over \$2,000,000,000 of foreign gold and silver at artificially inflated prices, making total imports of more than \$4,000,000,000, foreign countries only purchased American goods in the amount of \$2,282,000,000, which was an increase of only 7 percent over 1934. There is nothing to indicate that the creation of still further purchasing power in the hands of foreign countries, whether by

additional tariff reductions or gold and silver purchases, will result in any further increase in our export trade.

The present administration has based its entire foreign-trade policy upon the false premise to which I have referred. It can and will be challenged. The Republican Party can never accept this fallacious doctrine as a basis for its tariff policy, and it will not allow itself to be committed either directly or indirectly to the foreign-trade theories and fallacies of the present administration. We have more than a valid case against the administration, and we are going to press it in the coming campaign.

Mr. BANKHEAD. Mr. Speaker, I do not want to violate the gentleman's request, but I wonder if he would yield to me for a question?

Mr. TREADWAY. I yield to the distinguished Democratic leader.

Mr. BANKHEAD. As I understand it, although I have not been so informed by the gentleman who is now addressing the House, the speech now being delivered by the gentleman from Massachusetts is in answer to a speech made in New York a few days ago by Colonel Knox, the illustrious candidate for nomination as President of the United States, in which Mr. Knox took a position directly opposite to that now being assumed by the gentleman from Massachusetts?

Mr. TREADWAY. I did not name the individual, as stated by the gentleman from Alabama; however, he is right in the assumption that it was Colonel Knox who addressed the Economic Club in New York last week to whom I referred. This gentleman enunciated views directly opposite to those which I hold and directly opposite to views that other men hold as well.

FOREIGNERS ALREADY HAVE TREMENDOUS FREE MARKET IN UNITED STATES

No one can possibly object to our buying abroad in increased quantities those things which we do not produce at home, but which we consume in great quantities. I refer, of course, to such products as coffee, tea, rubber, spices, raw silk, and so on. These articles are now on the free list, and so far as I know no one has sought to have a duty placed upon them. We charge foreign countries nothing for the privilege of selling these commodities in our rich domestic market, and it seems to me that we could well trade our surplus products for these things that we need rather than encourage increased importations of competitive agricultural and industrial products which we can and do produce at home.

We constantly hear it said that our tariff rates are too high, but seldom are any specific instances cited. However, if they are excessive in any instance, adequate machinery is afforded whereby they may be reduced by as much as 50 percent upon a showing that the existing duty more than offsets the difference in foreign and domestic production costs.

WHOLESALE TARIFF REDUCTIONS SOLVE FOREIGN UNEMPLOYMENT PROBLEM, BUT NOT OUR OWN

There is no excuse, in my opinion, for the wholesale reductions being made by the President under the authority granted him by the subservient Democratic Congress. These reductions are being made upon competitive products produced on our own farms and in our own factories, irrespective of differences in foreign advantages in production costs. They have resulted in no compensating advantages in the way of increased exports. Thus the result has been to take a job away from one man without creating a job for another, to close one factory without opening another, to increase the surplus of one farm commodity without finding a market for the surplus of another, to give employment to foreign workers in preference to our own, and to perpetuate our unemployment problem, and lengthen our relief rolls.

FARM EXPORTS DECREASING

The promise was held out that if the President were given the authority to enter into foreign-trade treaties we would be enabled to dispose of our surplus farm products. Instead, agricultural exports have declined. On the other hand, agricultural imports have increased. One of the principal items

for which a foreign market was going to be found was lard, but our exports of lard declined from 431,000,000 pounds in 1934 to only 96,000,000 pounds in 1935. Another item was wheat, but our exports of wheat declined from 17,000,000 bushels in 1934 to only 233,000 bushels in 1935.

This list shows there is no such thing as a tariff barrier keeping out agricultural products from foreign countries. I wish there were. There should be such a barrier to protect the agricultural interests of our own country. It is ridiculous to say there are tariff barriers when records and statistics show that no such things exist. Why are we not given some illustrations of what these tariff barriers are? You do not hear anyone give any illustrations or cite any concrete example of the effect of such tariff barriers, and if there were, there is plenty of machinery of Government to correct such a situation.

FARM IMPORTS INCREASING

As against this decline in agricultural exports, agricultural imports have increased as follows: Corn from 3,000,000 bushels in 1934 to 43,000,000 bushels in 1935, wheat from 8,000,000 bushels in 1934 to 27,000,000 bushels in 1935, oats from 6,000,000 bushels in 1934 to 10,000,000 bushels in 1935, live hogs from 7,716 pounds in 1934 to 3,400,000 pounds in 1935, fresh pork from 182,000 pounds in 1934 to 4,000,000 pounds in 1935, and butter from 1,250,000 pounds in 1934 to 22,700,000 pounds in 1935.

We have heard a great deal about tariff barriers, but there is no appearance of them in the importation of these commodities. On the contrary, imports have come in in excessive quantities, crowding out our own products in spite of the existing tariff rates.

TRADE TREATY RESULTS CONTRARY TO EXPECTATIONS

I was very much interested in hearing a gentleman say, a few moments ago, that in 15 minutes he can defend the record of Secretary of Agriculture Wallace. The gentleman has a big job on his hands to perform in 15 minutes.

Secretary of Agriculture Wallace, who is one of the leading exponents of the administration's present trade policy, admitted in his annual report for 1934 that there was danger of the trade-treaty program producing results other than those that were expected and hoped for. That is exactly what has transpired. In my humble opinion, the repeal of the Reciprocal Tariff Act and the abrogation of the treaties made thereunder should be one of the major planks in the Republican platform in the coming campaign. I feel confident that the coming Republican convention will take up this subject and write a plank that means something when the party appeals to the voters of the country to support the Republican candidates who will be nominated at Cleveland. [Applause.]

The SPEAKER pro tempore (Mr. STARNES). Under the special order of the House, the gentleman from Michigan [Mr. Hook] is recognized for 15 minutes.

Mr. HOOK. Mr. Speaker, on January 3 of this year I introduced a resolution in the House of Representatives asking for a congressional investigation of the administration of Federal relief moneys in the State of Michigan.

I realize that my request for favorable action on this resolution requires explanation on my part. Let me make it clear at the outset that I am not quarreling with the high ideals and purposes behind the granting of Federal assistance to our States and localities to relieve suffering and prevent starvation. I grant the necessity for Federal assistance and laud the actions of our great humanitarian President, Franklin D. Roosevelt, in submitting to Congress his request for funds so that no person will starve in this land of plenty. In spite of the enormous burden that the relief load has placed on our Treasury of the United States, there are times when it seems to me that our grants to the needy have not been large enough.

The administration of President Roosevelt pledged itself to care for these millions of our good citizens who had been deprived of a means of livelihood and brought face to face with starvation because the Republican Party permitted entrenched greed to exploit at will. That pledge has been

faithfully kept, and despite the wails that have gone up from certain quarters over an unbalanced Budget, the mass of our people, I know, appreciate what has been done for them.

I realize the magnitude of the task to which the Democratic Party addressed itself. This was an emergency job and one for which machinery of administration did not exist. Most admirable of all policies of this administration of relief as announced by President Roosevelt was that which banned politics. No one with a grain of human sympathy in his make-up would ask that a program of relief be administered other than on a strictly nonpartisan basis. Of all the funds spent by the American Government in our history none have been more precious than these dollars which have been appropriated for direct and work relief. Any man guilty of misusing these funds has committed no ordinary crime. These funds were appropriated to furnish subsistence to families who would otherwise lack food. Misuse of the funds means that children were forced to suffer, their bodies wracked by undernourishment. I can contemplate no more heinous crime than this.

And this is the point of my request for an investigation of the relief administration in Michigan. I have charged publicly and I do so again, that the administration of relief in Michigan has been contaminated by Republican politics, that the program of assistance to the needy has been perverted by Republican politics, that the efficiency of the program has been impaired because of the chicanery of Republican politicians who have administered it. Funds have been misused in Michigan, discrimination has been practiced, and I lay the responsibility for this situation directly upon Dr. William Haber, E. R. A. administrator, deputy administrator of the W. P. A., State director of the National Youth Administration, official in charge of the distribution of surplus commodities, and mouthpiece of Mr. Harry Hopkins, in Michigan.

I am, of course, best acquainted with the situation in my own district in upper Michigan, where the Relief Administration is directed by one of Mr. Haber's henchmen, Walter M. Berry; but from dozens of facts in my possession, I am convinced that elsewhere in the State, the same rotteness prevails. I wish that I had all the facts relative to each instance of perversion that has been called to my attention. If I had these it would not be necessary to ask for an investigation—indictments would be in order.

I should like such an investigation to give to the people of Michigan, and to this Congress, full details as to why it has been necessary to call a grand-jury investigation of the Relief Administration in Antrim County. Among the charges made here are: First, that relief funds given to some persons were charged against others; second, that certain people were paid for work never performed; third, that supplies purchased from a certain drug store for persons not on relief were charged to relief clients; fourth, that pay rolls have been padded; fifth, that bonuses were paid in 1934, when no provision was made for such payment.

I want an investigation to determine the facts as to pay-roll padding in Detroit, estimated at half a million dollars or more. I have seen evidence of where one person's name was carried on at least three pay rolls. I have seen names on pay rolls that are patently fictitious—Julius Caesar, Mark Antony, and other names taken from history books or from the tombstones of some obscure cemetery.

I should like an investigation to inform us as to why in 1933 and 1934, the Relief Administration in Lansing, where Mr. Haber is located, showed extreme favoritism to certain of the coal dealers. I should like to have the facts also as to the purchase and distribution of coal in Detroit, during the past few years. I should like to know why when the city of Detroit stopped buying coal for relief clients, the policy of placing these purchases on bid, which had been in effect for 20 years, was discarded and the orders placed as those in charge of relief desired. Who got the orders and why?

I should like to know how many cases similar to that of Alex. Lewis, clerk in the public-welfare offices in Detroit, caught in 1931 after he had obtained some \$200,000 by faking grocery orders and vouchers, can be found.

I should like a check to be made as to the relationship between the relief administration in Detroit and certain real-estate dealers as to the rental of homes for relief clients.

The people of Michigan deserve to know why the Lenawee County Relief Commission was suspended in 1935 and the administrator framed. Why did Mr. Haber's office instruct the Lenawee administrator to bill certain expenses against work projects where the labor was not actually used?

We are entitled to know whether the rural rehabilitation organization, when this agency was a part of the relief administration, made a loan of \$24,000 to the Sunrise Co-operative Farm in Saginaw County, and whether this loan was later paid out of relief funds and covered up.

I should also like to know why Mr. Haber ignored the report of a member of the Michigan Society of Architects, made as the result of an investigation during 1934 and 1935, which showed that Government money was ruthlessly wasted and diverted to purposes which could not be legal under the law. I can tell you why. It was because this report showed plainly that the responsibility rested on Mr. William Haber.

I want to know why Mr. Haber permitted Federal funds to be used to build a conservatory of music in Cheboygan, Mich., on private property. Why, when relief administration officials had full knowledge of the facts, did Mr. Haber sanction a conspiracy contract between a certain architect, Davenport, and the county engineer in Berrien County, named Preston, wherein Davenport contracted to bribe Preston with one-half of his commission of 10 percent. A certified copy of the contract and a signed statement by Preston can be obtained. At a hearing before the Michigan Society of Architects board of engineers Davenport admitted the bribery. Max Barton, regional engineer, was implicated in this situation.

Why has Haber permitted materials to be purchased without complying with Government regulations? Why has he accepted false and perjurious statements from architects, such as that of an architect on the juvenile detention home in Detroit? And why have officials implicated in these situations been promoted to positions of high authority rather than dismissed, as was the case of Max Barton, who is now in the employ of the W. P. A. in the Flint region?

I want to know why Mr. Haber appointed an unscrupulous contractor from Flint to be purchasing agent of the W. P. A. there. I refer to Mr. Cecil Kelly. I have information that when Mr. Kelly submitted his bid on the Mayville School, of Mayville, Mich., he endorsed it as follows:

Five hundred dollars is my bid for adding the bleachers to the gymnasium. If there is a lower bid than my bid, deduct \$50 from that bid and that will be my final bid.

Why has Mr. Haber employed architects who were not licensed, this being contrary to the compiled laws of Michigan? Why in many instances were no bids taken on material purchased?

Perhaps a real investigation would discover the meaning of a certain telephonic conversation between Dr. Haber and Mr. Berry during the political campaign of 1934, in which Mr. Haber told Mr. Berry to go down the line for Fitzgerald, the Republican candidate for Governor. I have in my possession signed affidavits from two persons who swear that they heard a Mr. Balkema, then a henchman of Haber, state that he listened in on this conversation and that he heard Dr. Haber make this statement.

I should like to know, too, how it happens that a certain Mr. Much—and others, too, could be mentioned—a Republican candidate for township supervisor in Marquette County, Mich., was given the authority to distribute Federal surplus commodities while running for office. My answer is that the whole relief set-up in Marquette County is under complete Republican domination, and that every means possible has been used in the Relief Administration to give political advantage to the Republican Party. Perhaps, too, the Republican character of the Relief Administration in upper Michigan will explain why these officials insisted that they be given the power of naming the distributors of surplus commodities before any merchandise under their control would be moved. I wonder how those families who have been forced to wait

for weeks for this supplementary assistance feel when they learn that Republican politics was the cause of their privation.

Perhaps with an investigation we could find out what the true facts are regarding the Misery Bay Road project in Houghton County. In January 1935, the director of the works division of the E. R. A. in Michigan stated that the records in his office showed that \$35,000 had been spent on 7.6 miles of this road from Toivola to Misery Bay. The project, according to these records, was 99 percent complete. I have affidavits in my files signed by farmers, residents in these communities, showing that practically no work was ever done on the road. Where did the money go?

I should like to know why men were given work-assignment slips for the Misery Bay road project and then taken to work on a high-school project in a nearby community, Painesdale. I should like to know why no action was taken by the Relief Administration on this situation after it was called to their attention.

I want to refer, too, to another matter that I believe needs explanation. This is the naval-armory project for Hancock, Mich. I am particularly interested in this project, because it is one of the most worth-while projects in my district. Last November, while in Lansing, Mich., I checked on this project and was informed that it had been approved by President Roosevelt and by the Comptroller General. Final approval was given on January 3, 1936, under Treasury warrant no. 1265, which allocated \$125,086 of Federal funds for this particular project. I was told in Lansing that moneys allocated to this project were deposited in banks and reserved for exclusive use on this project. I was hopeful that the project would be put into effect soon.

Yesterday, I received a telegram containing information that the moneys allocated to the Hancock Armory had been diverted to be used in Bay City. This was something of a surprise, to say the least. I immediately attempted to reach Mr. Hopkins, but failed to locate either him or his assistant, Mr. Aubrey Williams. I did get in touch with the office of Mr. Howard Hunter, of the W. P. A., and I asked for a definite ruling as to whether funds allocated to one project could be diverted to another. The ruling obtained was that such diversion was not regular or legal. On the basis of this information I wired Mr. J. B. Thornton, of Hancock, Mich., as follows:

Re tel. Hancock Naval Reserves Armory. I have conferred with W. P. A. authorities here and requested definite ruling. Informed as follows: Funds for projects approved by President and Comptroller General with Treasury warrant issued cannot be transferred to any other project. I put concrete problem to them with regard to Hancock Armory. They are making complete investigation here and will notify me very shortly. States authorities of W. P. A. cannot legally divert funds allocated to your project to Bay City. I am contacting State authorities, also, and will notify you as early as possible.

About an hour after the wire had been sent I was called by Hunter's office and informed that the ruling was not what I had been told previously. It seems that Mr. Hopkins issued a bulletin last September giving State W. P. A. administrators power to divert funds from one project to another of a similar classification. It was intimated that the relief load and related conditions were the deciding factor in such cases of diversion. The facts are, of course, that the relief load in Houghton County, Mich., is about as heavy as in any place in Michigan, so that this cannot be the reason for the rejection of the Hancock project.

Within a short time this Congress is going to consider an additional appropriation for work relief, and I think it is high time that we take cognizance of some of the problems involved in the administration of this program. I recognize the need for flexibility in such a program, but, inasmuch as the Members of this House are in the end to be held responsible for the administration of the program, I submit that we should take considerable care in the formulation of the policies under which this program is to operate. I do not believe that the national Administrator, Mr. Harry Hopkins, should be delegated the authority of a dictator. If he is to have this power, his name should be Hitler, not

Hopkins. As Members of Congress, we should, by our actions, see that the money we appropriate is used as we intend it to be used. We can do it in spite of the power of Harry Hopkins, as evidenced by the actions a little over a week ago on the C. C. C. camp program. We were told that Harry Hopkins thought the camps ought to be reduced in number. At the time of our meeting I told the members of our group that just as long as we submitted to Harry Hopkins we would be on the receiving end of all the adverse criticism in the country. We took concerted action then, and we can take it again.

I notice that the junior Senator from Michigan [Mr. VANDENBERG] has purposed that the relief moneys be turned over to the individual States, to be administered as each State administration saw fit. The Senator may sincerely believe that this would be a corrective step. I disagree with him, for I know that the Senator's campaign manager, Mr. F. L. Woodworth, is the State welfare director, and I know for whose benefit the money in Michigan would be spent.

Woodworth today works hand in glove with Mr. Haber, and Haber's power in Michigan is already so vast as to make him the biggest detriment the relief program has. Why should Haber be given full authority to play hide and seek with projects which have been approved by the President and the Comptroller General and for which a Treasury warrant has been issued? A case in point is the armory project at Hancock, Mich. One of the best projects in upper Michigan. This project received every approval necessary except that of Mr. Haber, and in spite of the fact that the relief load in Houghton County, Mich., is as high as any place in the United States, Mr. Haber does not see fit to put it in operation. There is something funny about this whole business, and I should like to find out what the truth is.

Why was not the report of the investigation made by a special investigator of the E. R. A. as to the administration of relief in my district made public? I can tell you why, because I have seen a summary of the investigator's report. The investigator found that under Haber and Berry, who handles the relief in upper Michigan, there was a preponderance of Republicans in the relief administration greater than 2 to 1. The investigator found that money upward of \$100,000 had been spent in a most irregular fashion on a playground project in Ishpeming, Mich., on the private property of the Cleveland Cliffs Mining Co.

He found that a certain member of the Houghton County relief administration had been guilty of irregularities in connection with the purchase of fuel for relief clients. There are dozens of such damning items to be covered, had I time to do so. And, finally, the report was not made public because it stated definitely that Walter Berry, of a strict Republican background, was not a fit personality to head the relief administration in upper Michigan. The investigator stated further that this was the opinion of persons of every political faith—Republican, Democratic, and Independent. No action was taken on the report, and I wonder why? Mr. Hopkins and Mr. Haber saw fit to cover the whole episode with whitewash. The E. R. A. investigated itself and found no evil. Mr. Haber protected Mr. Berry and Mr. Hopkins protected Mr. Haber. We have heard recently about a similar whitewashing investigation carried on in the State of West Virginia, where the W. P. A. investigated itself after facts as to the rottenness were brought to light by Senator HOLT, of that State. This whitewashing is so much a parallel of the one which resulted after the investigation in my district last year, that I am led to the conclusion that the Relief Administration is no fit agency to investigate itself. We need a real investigation to find out why Mr. Hopkins protects such men and such irregularities.

It has been charged that I have not presented conclusive facts to show the necessity for a complete inquiry into the relief administration in Michigan. I realize that I do not have all the facts; neither do the thousands of persons who have written me in the past year complaining about discrimination in the administration of relief. That is why we want an investigation to determine the facts.

(The time having expired, by unanimous consent Mr. Hook was given 2 minutes more.)

Mr. HOOK. I have been charged by the Republican press in Michigan with desiring this investigation for selfish political reasons. I give the lie to that statement. Attacks have been made on me and statements have been made about me in an attempt to browbeat me into submission and to silence my voice, attacks which distorted the facts. I care not for myself and will carry on no matter how rotten the onslaught is. If I have to acquiesce by silence to the dishonesty and rottenness that is prevalent in the administration of relief in my State in order to be a Member of Congress, then I will not be here, for when conditions are brought to my attention I, as a Representative of my people, will bring them to light so that the crooks and thieves may be eliminated from the high and mighty places they hold.

So long as I am a Member of this august body, just so long will I fight dishonesty and corruption, lies and slanderous remarks about me notwithstanding.

I am willing to abide by the results of an honest and impartial investigation. I do not desire to have any voice in the choosing of any official charged with the administration of relief. But I do desire, and I shall insist, that those who are given the responsibility of administering relief be men and women of honesty, sympathy, and ability, interested in the welfare of our people, and not cheap, petty politicians interested only in the advancement of party interests. They must be men and women who are in sympathy with the program which they are administering. Certainly they must not be persons whose only desire is to discredit the agency for which they are working and to defeat the administration under which their agencies are established. When such able men and women, who have the success of the program at heart and who are really interested in the welfare of our people, are put in charge of relief in Michigan our people will be satisfied. [Applause.]

The SPEAKER pro tempore (Mr. McCORMACK). Under the special order of the House, the Chair recognizes the gentleman from Ohio [Mr. LAMNECK] for 30 minutes.

Mr. FIESINGER. Mr. Speaker, I think my colleague has an important message which should be heard by the Members of the House, and I make the point of order that there is no quorum present.

The SPEAKER pro tempore. Evidently there is no quorum present.

Mr. COOPER of Tennessee. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 53]

Adair	Driscoll	Kocialkowski	Reed, N. Y.
Allen	Dunn, Miss.	Larrabee	Richards
Amile	Eckert	Lea, Calif.	Richardson
Andrews, N. Y.	Ellenbogen	Lee, Okla.	Robson, Ky.
Berlin	Farley	Lesinski	Romjue
Brennan	Flannagan	Lewis, Md.	Rudd
Brewster	Ford, Calif.	Luckey	Sabath
Brooks	Gasque	Lundeen	Sadowski
Buckbee	Gassaway	McClellan	Sanders, La.
Buckley, N. Y.	Gillette	McGehee	Sandlin
Bulwinkle	Goldsborough	McKeough	Schulte
Carmichael	Gray, Pa.	McLeod	Sirovich
Casey	Greenway	McReynolds	Sisson
Chapman	Gregory	Maas	Stack
Claiborne	Halleck	May	Steagall
Clark, Idaho	Hamlin	Montague	Stewart
Connery	Hartley	Montet	Sweeney
Costello	Hobbs	Moran	Taber
Crosby	Hoeppel	Nichols	Thomas
Culkin	Jenckes, Ind.	Norton	Tobey
Cummings	Kee	Oliver	Underwood
Darden	Keller	Peterson, Fla.	Werner
Dear	Kennedy, Md.	Polk	Wood
Dietrich	Kerr	Rabaut	Zimmerman
Dorsey	Kinzer	Reed, Ill.	

The SPEAKER. Three hundred and thirty-one Members have answered to their names, a quorum is present.

Mr. BANKHEAD. Mr. Speaker, I move to suspend further proceedings under the call.

The motion was agreed to.

The SPEAKER. The gentleman from Ohio [Mr. LAMNECK] has the floor.

Mr. GOLDSBOROUGH. Mr. Speaker, will the gentleman yield for a unanimous-consent request?

Mr. LAMNECK. I yield.

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent that the bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes, be taken from the Speaker's table, that the House insist upon its amendments and agree to the conference asked for by the Senate.

The SPEAKER. The Clerk will read the title to the bill.

The Clerk read as follows:

To amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. DINGELL. Reserving the right to object, I should like to ask the gentleman from Maryland whether the question of the \$2,000 homes is involved in this request?

Mr. GOLDSBOROUGH. Of course they are.

Mr. DINGELL. Has the House committee agreed to give up the \$2,000 homes?

Mr. GOLDSBOROUGH. The conferees have not yet been appointed.

Mr. DINGELL. I withdraw my objection.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. GOLDSBOROUGH, Mr. REILLY, Mr. HANCOCK of North Carolina, Mr. HOLLISTER, and Mr. WOLCOTT.

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and insert therein certain tables.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE TAX BILL

Mr. LAMNECK. Mr. Speaker, ladies and gentlemen of the House, I want to discuss this afternoon for a few moments a matter which to me is one of the most important that has ever come before the House since I have been a Member.

What I am going to say about it I want you to know follows from a very firm conviction. There is no politics in this statement. I am not trying to get even with anybody or show any particular independence in my attitude, but I am convinced that the new tax bill we are now considering is not good for America, and I am not afraid to pay whatever penalty goes with my position. [Applause.]

I do not want to pose as a tax expert. There are men on the Committee on Ways and Means, of which I am glad to be a member, who know more about tax legislation than I do.

But I have not been convinced by them or anybody else that this tax bill is a good thing for America. I have not seen a more hard-working subcommittee than the subcommittee having in charge the consideration of this bill. They have worked hard and diligently for 3 or 4 weeks. I attended many of their meetings, and had it not been for this deliberation on their part, it would have been utterly impossible to have presented this matter to the Congress in any form that would have permitted of its adoption.

I do not know whose bill this is. I do not know whether it is the President's bill, whether it is the Treasury's bill, or somebody else's bill, and I do not care anything about that. I think that we should consider this tax bill from the standpoint of whether this is a good thing for America or whether it is not, whether it is a good thing for business, and I claim that a bill that is not good for business is not good for the United States of America.

I am including herewith the schedule of rates to be charged to corporations on earnings beginning with January 1936.

The schedules proposed are as follows:

SCHEDULE I

CORPORATIONS WITH ADJUSTED NET INCOME OF \$10,000 OR LESS

If there is no undistributed net income, there shall be no tax on the adjusted net income.

If the undistributed net income is 10 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 1 percent.

If the undistributed net income is 20 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 3½ percent.

If the undistributed net income is 30 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 7½ percent.

If the undistributed net income is 40 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 13 percent.

If the undistributed net income is 50 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 18½ percent.

If the undistributed net income is 60 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 24 percent.

If the undistributed net income is 70 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 29½ percent.

If the undistributed net income is 70.3 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 29.7 percent.

SCHEDULE II

CORPORATIONS WITH ADJUSTED NET INCOMES OF MORE THAN \$10,000

If there is no undistributed net income, there shall be no tax on the adjusted net income.

If the undistributed net income is 10 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 4 percent.

If the undistributed net income is 20 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 9 percent.

If the undistributed net income is 30 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 15 percent.

If the undistributed net income is 40 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 25 percent.

If the undistributed net income is 50 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 35 percent.

If the undistributed net income is 57½ percent of the adjusted net income, the rate of tax on the adjusted net income shall be 42½ percent.

If the percentage which the undistributed net income is of the adjusted net income is not one of the percentages of the adjusted net income shown in schedule I or II, then the rate of tax shall be proportionate.

If the adjusted net income is more than \$10,000, the tax, at the option of the corporation, shall, in lieu of being computed under schedule II, be computed by adding:

(1) A tax upon the adjusted net income computed under schedule I; and

(2) A tax upon the amount of the adjusted net income in excess of \$10,000, at the rate in schedule II, which would be applied if the tax were being computed solely under such schedule.

SCHEDULE III

EXEMPTION OF BANKS

It is recommended that incorporated banks and trust companies bona fide operated as such be exempted from the plan proposed under recommendation no. II and be subject to a tax of 15 percent on the net income (see recommendation no. XV, relating to intercorporate dividends) in lieu of the present graduated corporation tax. It is further recommended that banks continue to be subject to section 102 of the Revenue Act of 1934 relating to accumulation of surplus to avoid surtax.

The subcommittee leaves to the full committee as an unsettled question whether dividends paid by banks to shareholders, individual or corporate, should be treated under the present law or whether they should be fully taxable like dividends paid by other corporations.

SCHEDULE IV

TREATMENT OF INSURANCE COMPANIES

It is recommended that all bona-fide insurance companies (mutual and stock, foreign and domestic) be exempted from the plan proposed under recommendation no. II and be subject to a tax of 15 percent in lieu of the graduated rates under existing law; except that foreign insurance companies other than life and other than mutual be subject to a rate of 22½ percent in lieu of the graduated rates under existing law.

It is recommended that dividends received by all insurance companies be treated the same as dividends received by other corporations (see recommendations no. XV).

SCHEDULE V

CORPORATIONS IN RECEIVERSHIP

It is recommended that corporations in receivership be exempt from the plan proposed under recommendation no. II and be subject to a tax of 15 percent in lieu of the graduated rates under existing law.

Dividends received by such corporations shall be included in net income, and dividends paid by them shall be subject to tax in the hands of the shareholder as in the case of dividends paid by other corporations.

SCHEDULE VI

FOREIGN CORPORATIONS

It is recommended that foreign corporations be exempt from the plan proposed under recommendation no. II and be subject to a tax of 22½ percent instead of the rate under existing law, accompanied by a change in the rate on withholding under existing law to 22½ percent.

SCHEDULE VII

RAILROADS

It is recommended that railroads be subject to the plan proposed under recommendation no. II and the privilege of filing consolidated returns be continued as to them; the rate of tax to be the same as in the case of other corporations under recommendation no. II; but with the right to make a new election, whether or not to file a consolidated return for their first taxable year under the new law.

If in the affiliated group the parent corporation is in receivership the entire group shall be taxed as other corporations in receivership (see recommendation no. V). If any other member of the group is in receivership it does not gain the exemption referred to in recommendation no. V.

SCHEDULE VIII

EXEMPT CORPORATIONS GENERALLY

It is recommended that corporations now exempt from income tax under section 101 of the Revenue Act of 1934 (labor, agricultural, charitable, and other nonprofit corporations), be exempt from the new plan and from the corporation tax under existing law.

SCHEDULE IX

CAPITAL STOCK TAX

The rate of capital stock tax imposed by section 105 of the Revenue Act of 1935 is proposed to be reduced to 70 cents per \$1,000 of the adjusted declared value for the capital stock tax year ending June 30, 1936. This constitutes a substitution of a 70-cent rate for a \$1.40 rate. The tax is proposed to be terminated for all later years.

SCHEDULE X

EXCESS-PROFITS TAX

The excess-profits tax imposed by section 106 of the Revenue Act of 1935 is proposed to be terminated at the end of the first income tax taxable year of the taxpayer which ends after June 30, 1936. The rate is not changed. Corporations whose income tax taxable years are on a calendar year basis will be subject to this tax for the calendar year 1936.

These schedules exempt certain business institutions. For instance, they exempt banks. They claim in this bill that the new tax proposal is too drastic for banks, but I am not arguing that point at all. Therefore, they say banks and insurance companies shall be assessed a tax of 15 percent, instead of the rates applying under these schedules. They say to a foreign insurance company, "We will not assess you 15 percent, we will not assess you the rates applying under this bill, but we will assess you 22½ percent." They say to corporations in receiverships, "We cannot assess you the rates applying under this bill, but we will assess you a rate of 15 percent." They say to all other foreign corporations, 22½ percent. They exempt certain corporations, such as labor, agricultural, and other nonprofit corporations. In fact, in this bill they do not treat all alike. I claim that any tax bill that is not good for the banks and other financial institutions of this country is not good for business generally. Why should we exempt one corporation and make a certain rate apply to it and say to all other corporations that are not in this particular selective group, "Your rate is higher; we make it 42½ percent, we make it 25 percent, we make it 15 percent, or we make it 13 percent, but we cannot apply this drastic law to the banks and insurance companies because it might destroy confidence, it might destroy the depositors' chances to get their money back, it might destroy the possibility of the banks and the insurance companies staying on a sound financial basis?"

Mr. Speaker, the Ways and Means Committee of the House of Representatives, whose duty it is to prepare all tax bills for the consideration of the House of Representatives, begin hearings today.

You are all more or less familiar with the various proposals under consideration. To refresh your memory, I might say that the proposed measure consists principally of a tax on corporation surpluses and the so-called "windfall tax", which is an attempt to recover the taxes due the Federal Government when the A. A. A. was declared unconstitutional.

Everyone who has given any thought to the matter realizes that we must have additional taxes or cut down expenses; and since there is no apparent intention to reduce expenditures, the only recourse left for us is to increase revenue. I have no objection whatsoever to this procedure, because, as I have said before in addressing the members of the committee, no individual, no group of individuals, no business organization, no governmental organization, can continue to spend more than its income without sooner or later facing disastrous results.

Under the present law we tax corporation incomes on a graduated basis ranging from 12½ to 15 percent. After the corporation pays these taxes it has a right to handle its earnings in any way it sees fit. The corporation can pay out its earnings in dividends; it can retain them in surplus, to be used for a rainy day; it can make plant improvements; it can retire existing debt; it can use the money for banking purposes if it wants to; it can invest the surplus in securities, or, in fact, do anything it deems necessary.

We are not satisfied with the enormous taxes now being paid by the corporations but are proposing a radical departure from the existing order. What I have been trying to determine since the proposal was originally made is: What is the motive? Who are we trying to get? In other words, are we singling out certain business institutions that we propose to destroy by this method of taxation? If so, we should be frank about it and let the Congress determine whether we should go along with such a proposal or whether we should continue the policies that we have followed in the past. It is a rather difficult matter to act intelligently on any proposal unless we have all the facts.

The next tax suggested provides that a corporation can no longer run its own affairs, and unless the corporation complies by distributing its corporate earnings in line with the provisions of the law we immediately proceed to penalize. If a corporation should desire to retain all its earnings for any one year, no matter for what purpose, we automatically assess a tax which would be almost equal to half of its corporate earnings. The theory back of such a revolutionary piece of legislation is that we are going to force the corporations to do what Congress says. This is not the first time that we have attempted to compel business of this country to follow our bidding or suffer a penalty tax. I only need refer to the Guffey Coal Act to illustrate my point. In this act we assessed a penalty tax of 15 percent to compel the coal operators to adopt a lot of rules and regulations provided for under the act.

Under the new tax proposal we say to a corporation whose earnings are in excess of \$10,000 a year: "If you want to retain 10 percent of your earnings, we will tax you 4 percent on your total earnings, or a rate of 40 percent of the amount retained. If you desire to keep 20 percent of your earnings, we shall tax you 9 percent of your total earnings, or a rate of 45 percent of the amount retained. If you desire to retain 30 percent, we shall assess a tax of 15 percent of the total earnings, or a rate of 50 percent of the amount retained. Should you want to retain 40 percent of your earnings, a tax of 25 percent is assessed against your total earnings, which would mean a rate of 62½ percent of the amount retained. If you desire to retain 50 percent of your earnings, a tax is assessed of 35 percent of the total amount earned, or a rate of 70 percent of the amount retained. If you desire to retain all of your earnings, as soon as the amount retained equals 57½ percent the balance would have to be paid in taxes and the stockholders would receive nothing."

In the latter illustration, and roughly speaking, if a corporation desired to retain all of its earnings it was possible to retain, the Government would take about half of the money and the corporation could retain the other half. If this is not a revolutionary proposal, then I miss my guess. The highest rate ever assessed against industry in England, I understand, was about 22½ percent, and here we are assessing all industrial organizations at a rate of 42½ percent if they retain all their earnings. Ladies and gentlemen, I warn you that if this tax bill is passed it will destroy every small incorporated business institution of the country, and

will so impair the credit, the earning power, and the stability of large corporations that it will result in their being unable to continue on a profitable basis.

During the consideration of the tax bill by the subcommittee of the Ways and Means Committee and the experts from the Treasury Department, it developed that the new measure was too drastic and too revolutionary when applied to banks, life-insurance companies, and mutual fire-insurance companies. The group, after due consideration, decided that the above classes of business should be exempt from the application of the new bill because it would probably create in the minds of the public a lack of confidence in these institutions. It would probably impair their financial standing and cause other results too horrible to contemplate. I agree with them in their conclusions.

Under the present law these institutions are in the same class, paying the same tax that any other business institution would pay, and I humbly submit that if this law is not of such a nature as to permit its application to the institutions above mentioned, then it should not be applied to any other business institution, and for the same reason.

Sometime ago we passed the Social Security Act, and the method of raising the revenue to pay for this activity was a tax on pay rolls. To provide for the unemployment insurance, a pay-roll tax will finally be assessed of 3 percent. To provide funds for the old-age annuity, another tax on pay rolls of 3 percent will be assessed, and in the latter group the employee will have to pay 3 percent of his earnings also. We have also passed a Railroad Pension Act, which provides for an assessment against the employees of 3½ percent of the pay roll and an assessment against the railroad of 3½ percent on the pay roll.

How will the new tax bill affect the above legislation? I claim that if the tax bill impairs the credit and financial standing of the corporations that pay the unemployment tax, the old-age annuity tax, and the railroad-pension tax, we threaten the very foundation of the Social Security Act and the Railroad Pensions Act, and in addition we may seriously affect the employment possibilities in all these corporations. As far as I am concerned, I do not feel like going on a bill that is almost certain to put men and women out of jobs. Information from my district, which is a railroad center, is that railroad taxes under the so-called corporate surplus-tax legislation will be increased over 100 percent. I claim they cannot withstand this and continue to pay good wages, continue employment, and keep their property in good condition. Perhaps the proponents want Government ownership.

Why should corporations have a surplus? The reasons are many. First, corporations should have surplus earnings to make them sound financially. A small corporation, in order to grow, must absolutely keep all its earnings in its surplus in order to get anywhere. A corporation should have a surplus for a rainy day, to permit them to operate during periods of depression and keep people employed. A corporation should have a surplus to make plant improvements. It should have a surplus for expansion. It should have a surplus to run the plant during depression periods when earnings are low. It should have a surplus to pay its stockholders dividends during depression years. It should have a surplus to keep men employed during depression years, even at a loss. I heard of a plan the other day that claimed if they had shut down when the depression started they could have saved \$7,000,000 a year, and the only reason they could operate was because they had a surplus. I know of a concern in my home city that has not made a cent since 1929, and yet has never failed to pay a dividend each year and has never failed to keep hundreds of men employed at good salaries, all because they had a surplus.

I want to quote at this point an editorial appearing in a Columbus, Ohio, paper, which expresses my position exactly, and which I think expresses the opinion of every sound business executive in the United States. I quote:

"RAINY DAY" RESERVES

The need which corporations have for adequate "rainy day" reserves has been expressed often and eloquently since Congress began work on the new plan to tax corporate surpluses. Even

friends of the proposal have warned that it would be a mistake to force a too extravagant distribution of dividends. If any proof were needed of the validity of this warning, the floods have provided it, and in a spectacular fashion. In their wake are the ruins of hundreds of industrial plants, through which the waters swept, driving thousands of men from their jobs.

"Corporations will have to dip into their reserves for millions of dollars to repair and rebuild these plants before the men can go back to work. It is not hard to visualize what would happen if all of these corporations had to raise money for this necessary reconstruction.

"Probably it will be found that some of these corporations are in that unfortunate position, which means that the jobs of their employees will have to wait while terms are made with investment bankers.

"Congressmen working on the tax bill might well study these specific examples. The experience of the corporations whose properties were damaged by the floods should provide valuable testimony on the uses, needs, and sufficiency of corporate cushions."

Now, the tax experts come along with a proposal and say to us that that sort of a plan is no good—out of date. Do we want the word to go out to the country that the Democratic Party and its responsible leaders are against business in one breath, and then appeal to them in another breath that we want them to assist us with all their might and main to put the unemployed back to work? I said the other day, and I repeat it now, that if we are ever to put the unemployed back to work on a sound basis it must be through productive industry.

By our tax program we penalize initiative, we penalize frugality, and we penalize all other business virtues that tend to build and not to destroy. The only reason I am making these remarks in the consideration of this bill is because I want the Members of the House to consider the radical departure from the existing order in the new tax program. I want them to study the proposal, to contact their constituents in business and otherwise, so that when the bill does come up we will have an opportunity to consider it on its merits and not pass it simply because somebody requested it.

Another feature of the tax bill is the so-called windfall tax, which is intended as a tax to reclaim the processing taxes returned to the taxpayer because of the Supreme Court decision. I have no quarrel with the idea of reclaiming these taxes, provided it was handed down to the consumer and collected by the processor; but I know as a proven fact that there are some industries in my congressional district who were not able to pass the taxes on to the consumer for a long time after the bill's enactment. At the time the Supreme Court decided the A. A. A. unconstitutional, most of the meat packers of my district were in a position where the Internal Revenue Department was considering taking them over and selling their property to collect the taxes, and if this windfall tax is assessed I predict that the Government of the United States will own every small pork-packing plant in the United States. I know nothing about the conditions in the textile industry or in the milling industry and other industries, but I do know something about the situation as it applies to the small pork packers.

Are we, by legislative act, going to put out of business those classes of industries to which I have referred, located in my congressional district and all other districts, put out of employment all of the employees now working for these institutions, and place the large packers in a position where they will monopolize this industry in the future? As far as I am concerned, ladies and gentlemen, I am not going to be a party to it. There is also a serious constitutional question involved.

It is an easy matter to criticize, I know, and I have always felt that when one has an objection to a proposal he should have a substitute, because I believe we are all agreed we must have increased taxes under the circumstances. I am offering for your serious consideration a substitute. I will attempt to have the committee adopt it, and if the committee will not adopt it, I expect to offer it on the floor of the House as an amendment to this bill. My substitute is to increase the corporation taxes now existing to raise at least \$500,000,000 in additional taxes. In addition, I suggest the repeal of the present law which exempts corporation dividends from the application of the normal tax rate. This

change will raise about \$270,000,000. These two changes will raise as much revenue as is being requested by the administration.

I further suggest that no windfall taxes be assessed against any processor whose profits for the period that the tax was in effect was less than 6 percent of invested capital plus depreciation, depletion, and other charges now permitted by the Internal Revenue Department. I am offering these suggestions in all sincerity and for your serious consideration.

I know of no other way to protect them; I know of no other way to preserve them to their rightful owners; and I am offering these suggestions in all sincerity. There are two or three things wrong with the way in which we operate here. In the first place, we do not know enough about legislation when it comes before us; and I submit, without criticism, that that is the fact. Many bills come before us that we do not know the A B C of, and I predict when this bill comes up there will not be 20 percent of both sides of the aisle, Republicans and Democrats, who will know very much about the bill. How do we know—I do not know—what effect this is going to have on business; what the final effect will be? It is impossible to know. If you considered this tax bill for 60 days, you could not determine what the final result on the country would be.

I claim you can never have a prosperous America unless you have a prosperous business. Do not forget that. If we have some other scheme in mind, if we do not want private individuals and corporations to run the business of this country, that is one issue. If that is the issue, I want to know it. It would not take me very long to determine what side I would be on when it comes to that proposition. [Applause.]

I yield now to my colleague from Michigan.

Mr. DINGELL. Mr. Speaker, I would like to ask the gentleman from Ohio whether he does not know that the report thus far drawn and presented to the full committee includes the allowance of such statutory exemptions as are now in existence?

Mr. LAMNECK. I know that.

Mr. DINGELL. That has nothing to do with what the gentleman contends at the present time, of what depreciation reserve or other reserve, as at the present time in existence, will remain untouched?

Mr. LAMNECK. I was not discussing reserves for various reasons. I was discussing the bill and the rates applying. I know there has been no change in the provision in the existing law, which provides that a business institution can set aside a reserve for depreciation, depletion, and things like that. I was not discussing that feature of the bill.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. BANKHEAD. As I understand the facts, the gentleman from Ohio is, of course, anticipating what will be the result of the deliberations on the hearings before the Ways and Means Committee on this question. It may be that he is correctly anticipating the conclusion at which they will arrive, but the fact is, is it not, that the gentleman is criticizing and attacking a bill, even before a hearing is had, and before the advocates, or opponents, have been heard before the full committee, and before any decisions have been reached with reference to what the bill will be?

Mr. LAMNECK. I will answer the gentleman. I want to tell you the facts as I see them. If I have any criticism of the work of the subcommittee it would be that that committee would not consider any other proposal except the recommendations that were sent to it by somebody. You could no more get a consideration for my proposal, or any other proposal, in that subcommittee than you could jump over this building. They confined their activities entirely to the recommendations that were submitted to them for consideration. I am of the opinion, and I want to make the prediction, that no bill will come out of that committee except the one that has been proposed. I am not a prophet nor the son of a prophet, but that is my individual opinion.

Mr. PETTENGILL. Mr. Speaker, will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. PETTENGILL. What is the situation with reference to a corporation that has an outstanding bond issue and

the mortgage provides that no dividends may be paid until a sinking fund has been built up to retire the bonds or to meet a profit and loss deficit?

Mr. LAMNECK. There is a provision made in this bill for such a thing as that. To my surprise, instead of our making that kind of a corporation pay the tax now existing, we come along and say, "That tax is not high enough. You are crippled. You are about out of business and we are going to give you another sock and raise your rates 50 percent over the existing rate. We are going to charge you 22½ percent." We raise their rates 50 percent and we will be sure, when we do that, to give them a knockout blow.

Mr. MARSHALL. Mr. Speaker, will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. MARSHALL. Is there any provision in the bill to meet a situation where a company has already distributed back the processing taxes which it has collected? I have a letter from an industry in the gentleman's own district, in which they say they have passed this money back to the people to whom it belonged, and they are willing to furnish an affidavit to that effect?

Mr. LAMNECK. That is past earnings?

Mr. MARSHALL. Processing taxes.

Mr. LAMNECK. I do not think the bill applies.

Mr. MARSHALL. I refer to the processing taxes which have already been collected.

Mr. LAMNECK. Oh, the gentleman will have to answer that, because I cannot answer it. I have not been able to answer it.

Mr. MARSHALL. This gentleman says in his letter that if another tax is assessed against them it will mean bankruptcy for that institution. It is in the gentleman's own district.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. RICH. If a corporation wishes to improve its property by the construction of new buildings or the purchase of new equipment, under the law, as I understand it, they will have to pay the Federal Government a large percentage on this improvement or this equipment because of the fact that it must take its surplus and pay it to its stockholders, and will be unable to invest it in new improvements and new equipment?

Mr. LAMNECK. If it keeps all of its earnings, it is assessed 42½ percent.

Mr. RICH. And that would necessarily retard new improvements and the purchase of new equipment?

Mr. LAMNECK. I agree with the gentleman.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield further?

Mr. LAMNECK. I yield.

Mr. BANKHEAD. Do I understand the gentleman to say that regardless of any circumstances that might exist, regardless of how tremendous or extravagant the surplus accumulated may be, the gentleman is opposed to any legislation seeking in any way to tax the undistributed surplus of any corporation?

Mr. LAMNECK. I have not given that much consideration.

Mr. BANKHEAD. Is that not consistent with the gentleman's attitude?

Mr. LAMNECK. I do not think so. Now, just for the information of the House, I want to call attention to the fact that in this country of 127,000,000 people we only have 9,000 whose earnings are in excess of \$100,000 a year.

The SPEAKER. The time of the gentleman from Ohio [Mr. LAMNECK] has expired.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1937

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. RICH. Mr. Speaker, reserving the right to object, can the gentleman from Missouri tell us by how much the bill has been increased since it left the House?

Mr. CANNON of Missouri. As I recall it, approximately \$39,000,000. I do not remember the exact amount.

Mr. RICH. Mr. Speaker, until we find out what the increase is I think it is necessary to object. We increased this year's appropriation \$14,000,000 over last year's appropriation. The gentleman says he does not know what the amount is. This is the trouble with the House of Representatives, we do not know what we are doing in making these appropriations. Mr. Speaker, I must object.

Mr. CANNON of Missouri. Mr. Speaker, if the gentleman will yield, no one keeps in mind these astronomical figures added by the Senate to House appropriation bills. The amount is approximately \$39,000,000. Whether it is \$39,887,944.42 or \$39,887,944.43 is immaterial. Any increase over the amounts provided by the House bill is unwarranted, and I am now asking the House to disagree to every penny that has been added.

Mr. RICH. Then it is our obligation to support the gentleman. I think it is our business to stand up here and support the gentleman in his objection to the increase. The gentleman should ask the majority leader to stand up and support him, too, because it is necessary that we cut down these appropriations.

Mr. BANKHEAD. I will say to the gentleman that I will support him.

Mr. RICH. Then, let us do it. Let us say, as the House of Representatives and to the Senate, that it is time for them to stop.

Mr. CANNON of Missouri. Mr. Speaker, I am in fullest accord with everything the gentleman says. The bill was generous as it passed the House and certainly nothing should be added. I trust the House will agree to the request to disagree to the Senate amendments and ask for a conference.

Mr. RICH. I am saying these things only because I think it is my duty. I want to say to the majority leader and to the other Members of the House of Representatives that the appropriation bills we have passed carry an increase of \$245,000,000 over what the same bills carried last year. This is an astounding figure, but the Senate is going to add another \$200,000,000 to appropriation bills yet to be passed by them and I think it is time to begin if we are ever going to get this country out of its position of debt. The worst is ahead of us. It is your duty and it is my duty to say we are going to stop these increases. If we cannot stop the Senate, then it is too late. We ought to do it, and I hope the majority leader will help the chairman of the Subcommittee on Appropriations for the Department of Agriculture.

Mr. CANNON of Missouri. Mr. Speaker, there is no difference of opinion whatever between the gentleman and myself on that score. I am asking unanimous consent to disagree to every amendment and object to every increase.

Mr. RICH. Let us put up a little fight and try to cut it down. I hope the gentleman succeeds. I will back him to the limit.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CANNON of Missouri, TARVER, UMSTEAD, THOM, BUCHANAN, THURSTON, and BUCKBEE.

COMMODITY CREDIT CORPORATION

Mr. DRIVER. Mr. Speaker, I call up for consideration House Resolution 446.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3998, "A bill to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season." That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill

for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. DRIVER. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, the purpose of this resolution is to make in order the consideration of the bill S. 3998, reported to the House by the Committee on Banking and Currency, which bill has for its purpose to increase the capital of the Commodity Credit Corporation, an organization created under Executive order in October of 1933 to stabilize the value of farm products through the advance of money to producers of farm commodities. At that time the capital stock of the Commodity Credit Corporation was fixed at \$3,000,000, all of which was advanced by the Reconstruction Finance Corporation for the purpose of its creation. The Reconstruction Finance Corporation has advanced to the Commodity Credit Corporation during the course of its operation multiplied millions of dollars on farm commodities. Today this corporation has outstanding as a debt \$311,000,000, which was loaned on cotton, wheat, corn, naval stores, and tobacco. Of the amounts loaned practically 90 percent had been repaid, but \$280,000,000 has been on cotton. The Commodity Credit Corporation today is disposing in a careful way of its accumulations of cotton stocks. They have about 4,500,000 bales of cotton on which they have advanced 12 cents per pound.

On the cotton disposed of from that accumulation they have lost no money, notwithstanding the fact the carrying charges in the way of insurance, interest, and storage amounts to about 1 cent per pound on pledged cotton; but the superior grades of cotton that has been disposed of has enabled the Commodity Credit Corporation to sell this amount at the market value for a sufficient sum to cover the additional amount above the loan. However, the Chairman of the Reconstruction Finance Corporation makes the statement that if he disposed of this accumulation of cotton today there will be sustained a loss of possibly \$31,000,000 because of the fact that much of the 4,500,000 bales is not of the high-grade staple that has been disposed of heretofore.

Mr. Speaker, the purpose of this bill, according to the statement of the chairman of the Reconstruction Finance Corporation, is to take \$97,000,000 of the amount of money already loaned and add it to the \$3,000,000 existing capital of the Commodity Credit Corporation, giving a total capital of \$100,000,000. This will be accomplished without the necessity of taking \$1 from the Treasury of the United States to add to the capital stock now utilized by the Reconstruction Finance Corporation. It is a mere bookkeeping transaction brought about by transferring the money that has been advanced on the commodities and making an increase in the capital of the Commodity Credit Corporation. The purpose of bringing about this increase is to enable the Commodity Credit Corporation to place this business in the hands of private bankers. The statement is made that there is a demand for this class of security at a lower rate of interest than that which is being paid now by the producers and owners of these commodities which they have pledged. In other words, the Reconstruction Finance Corporation today is paying 2¾ percent to the Treasury for the money which they lend to the Commodity Credit Corporation. They charge for carriage one-quarter of a cent, or 3 percent, on the money they advance to this corporation, which in turn lends the money to the producers of these commodities at a rate of 4 percent.

Mr. Jones made the statement to the Banking and Currency Committee that this class of paper, backed by a capital of \$100,000,000, could find investment in private banking channels at possibly 1½ percent, in his opinion, and not to exceed 2 percent. The rule is an open rule.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. DRIVER. I yield to the gentleman from Maryland.

Mr. GOLDSBOROUGH. Mr. Jones stated that the Commodity Credit Corporation could borrow from the banks at

1 percent and lend to the farmers at a rate of 2 percent to 2½ percent.

Mr. DRIVER. From Mr. Jones' statement I do not think there is any doubt but what an advantageous position could be secured with this addition to the capital stock and without the use of additional money.

Mr. Speaker, I reserve the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, this legislation affects one of the liberal government Delaware organizations which were once more popular in Washington than at the present time. If the smoke around this bill was brushed away, we would find there is only one real object sought in this measure. That is to cover up the losses the organization has sustained in the last 2 or 3 years.

The pretense is made of lower interest rates. Why, you cannot tell Members of Congress the securities of this corporation, with its huge holdings of cotton, on which they have advanced money and on which they will ultimately take a tremendous loss, will obtain lower interest rates than the securities of the Reconstruction Finance Corporation. I submit this is not reasonable, and I do not believe it will materialize.

Mr. Speaker, I repeat, this legislation is offered for the purpose of concealing for the present, until after election, the fact that this corporation has sustained great losses in connection with cotton. Today there are over 6,000,000 bales of cotton under the control of this organization. Some day there is going to be a big loss. According to present market prices, it would be over \$50,000,000, and it will be much larger when the day of adjustment arrives.

I sympathize with the Roosevelt administration. They have a bear by the tail and they do not dare let go. If they let go, they are afraid the cotton market might be demoralized, or go lower than it is at the present time. This, of course, on the eve of election would be most disturbing. If the corporation continues to advance more money and acquire more cotton, they are only aggravating conditions and inviting a greater crash than would happen if they commenced to unload in an orderly way at the present time. From a political viewpoint, the strategic thing to do is to create the larger corporation and make it possible to acquire more surplus cotton and then wait until after election for the loss to become evident. If somebody gets disturbed at that time, it will not mean anything. But right now there is only one thing to do, and that is to promote the political cause of the Roosevelt administration, regardless of the cost in public moneys. To be sure, eventually the taxpayers are going to lose a large amount of money by carrying these huge burdens. But what of that? By this time the taxpayers are so insensible as a result of the punishment they have taken that another fifty or hundred million dollars will mean nothing. We can, in my judgment, anticipate huge losses.

Mr. CRAWFORD. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In the committee report it is cited that the Corporation is now without adequate capital with which to carry on its operations. It is also stated that the Reconstruction Finance Corporation can make additional loans to the Commodity Credit Corporation without increase of borrowing power of the R. F. C. What is there to prevent the R. F. C. from making loans on the basis of the present capital structure of the Commodity Credit Corporation?

Mr. MARTIN of Massachusetts. The R. F. C. can make loans indefinitely, if they wish.

Mr. CRAWFORD. It is not necessary to increase the capital?

Mr. MARTIN of Massachusetts. It is not essential that they do that.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. Has the gentleman had an opportunity to compare the efficient way in which the

Commodity Credit Corporation has been operated with the inefficient way in which the old Farm Board was operated?

Mr. MARTIN of Massachusetts. No. But if a comparison is made, I think the gentleman would find that the end would be the same. The old Farm Board losses were great, and this Corporation will also be a tremendous loser when we finally balance the sheet.

Mr. HANCOCK of North Carolina. Is it not a fact that under the operations of the Federal Farm Board 69 cents of every dollar appropriated to that fund by Congress was finally lost?

Mr. MARTIN of Massachusetts. I think this concern is going to have a terrific loss; and let me say to the gentleman that, while I do not know whether his statement is accurate or not, I am not disputing the statement, but I believe this corporation is going to show a tremendous loss before we get through with it. The loss will come next year.

Mr. HANCOCK of North Carolina. Would the gentleman be agreeably surprised if the losses were less than 5 cents on the dollar?

Mr. MARTIN of Massachusetts. I would be astounded.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CRAWFORD. In that respect, is it not true that ownership carries risk and that efficiency of operation cannot be determined until the inventories are finally liquidated?

Mr. MARTIN of Massachusetts. Certainly.

Mr. CRAWFORD. And this is the real answer to that question.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. GIFFORD. It might help the gentleman to suggest that under the Republican administration of the Farm Board we forgot to guarantee the farmer 12 cents a pound on cotton and hold the cotton. This would be efficiency in the mind of the gentleman from North Carolina. We also forgot to subsidize the farmer on what he exported and, in fact, we forgot to do a lot of things in the way of artificially holding up the price and making guaranties to the farmers. We did not throw the entire Government credit behind the proposition, as is usual in this administration.

COMPARISON OF FEDERAL TAX CONTRIBUTIONS WITH EMERGENCY RELIEF EXPENDITURES—BY STATES

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain tables which I myself have prepared.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include a table which I am herewith inserting in the RECORD, which will show that for the year 1935 the Federal Government paid 74.4 percent of all expenditures for emergency relief. The State governments paid 12.3 percent and the local governments contributed 13.3 percent.

These figures will show that in 14 States the Federal contribution was over 90 percent of all money spent for relief. These States are Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Montana, New Mexico, North Carolina, South Carolina, South Dakota, Tennessee, Virginia, and Wyoming.

There were 13 States where the Federal contribution was between 80 percent and 90 percent, as follows: Arizona, Colorado, Idaho, Illinois, Kentucky, Maryland, Nebraska, Nevada, North Dakota, Ohio, Oklahoma, Texas, and West Virginia.

It will be noted that the average contribution of the Federal Government was 74.4 percent. In addition to the 27 above-mentioned States in the 90-percent and 80-percent class, there were 8 States that received contributions greater than the average, as follows: Kansas, Michigan, Minnesota, Missouri, Oregon, Pennsylvania, Utah, and Washington.

We now come to those States that received less than the average contribution from the Federal Government. Those

Comparison of Federal tax contributions with Emergency Relief expenditures, by States

States	Population as of Apr. 1, 1930	Percent of total popula- tion	Total internal- revenue collec- tions, fiscal year 1934 ¹ (includes income tax)	Percent- age of total paid by each State	Income-tax collections, fiscal year 1934	Percent- age of total paid by each State	Amount of obligations incurred for Emergency Relief, ² by sources of funds, by States, January through December 1935						
							Obligations incurred for Emergency Relief						
							Total amount	Federal funds		State funds		Local funds	
								Amount	Percent	Amount	Percent	Amount	Percent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Alabama	2,646,248	2.15	\$3,829,578.78	0.17	\$1,038,284.21	0.24	\$18,747,347	\$17,331,528	92.4	\$312,212	1.7	\$1,103,607	5.9
Alaska	59,278	.05	217,483.43	.01	158,930.88	.02							
Arizona	435,573	.35	1,037,839.06	.04	487,599.02	.06	7,825,965	6,902,827	88.2	923,138	11.8	0	0
Arkansas	1,854,482	1.51	2,380,596.40	.10	891,881.50	.11	17,528,741	16,942,786	96.7	585,955	.9	427,258	2.4
California	5,677,251	4.61	141,302,729.49	6.14	57,469,209.10	7.02	129,126,776	61,687,753	71.0	36,403,058	28.2	1,035,965	.8
Colorado	1,035,791	.84	10,503,757.22	.46	4,586,088.90	.56	22,139,749	19,755,146	89.5	2,384,603	1.7	1,944,438	8.8
Connecticut	1,606,903	1.30	27,142,913.41	1.18	15,515,146.56	1.91	25,231,342	12,884,036	51.1	2,153,329	8.5	10,193,977	40.4
Delaware	238,380	.19	17,612,694.74	.77	12,922,925.19	1.58	1,212,696	642,928	53.0	0	0	569,738	47.0
District of Columbia	480,899	.40	10,942,692.42	.48	6,725,048.57	.82	9,126,616	6,982,540	76.5	0	0	2,144,076	23.5
Florida	1,468,211	1.19	10,983,830.90	.48	4,437,630.34	.54	15,407,586	14,494,534	94.1	15,492	.1	897,560	5.8
Georgia	2,908,506	2.36	10,646,337.05	.46	5,047,449.43	.62	21,650,541	20,343,180	94.0	0	0	1,307,361	6.0
Hawaii	368,336	.30	5,116,469.80	.22	3,287,591.36	.40							
Idaho	445,032	.36	928,631.12	.04	402,048.73	.05	7,608,512	6,234,540	82.0	786,077	10.3	587,895	7.7
Illinois	7,630,654	6.19	162,086,758.02	7.05	63,537,029.35	7.78	122,923,596	100,502,123	81.8	17,849,265	14.5	4,572,208	3.7
Indiana	3,238,503	2.63	27,119,263.71	1.18	8,916,842.17	1.09	34,727,293	22,769,124	65.6	131,510	.4	11,826,659	34.0
Iowa	2,470,939	2.01	7,983,997.40	.35	4,246,667.58	.52	19,918,313	12,392,639	62.2	2,368,471	11.9	5,157,203	25.9
Kansas	1,880,999	1.53	10,857,840.84	.47	3,013,605.83	.37	28,478,253	21,696,007	76.2	245,247	.9	6,536,999	22.9
Kentucky	2,614,589	2.12	64,234,124.40	2.79	5,147,249.33	.63	18,795,601	15,972,497	85.0	1,062,607	5.6	1,760,497	9.4
Louisiana	2,101,593	1.71	15,873,788.26	.69	4,799,512.61	.59	19,479,559	18,560,428	95.3	0	0	919,131	4.7
Maine	797,423	.65	5,844,114.37	.25	3,433,033.05	.42	10,108,978	5,659,233	56.0	1,005,107	9.9	3,444,638	34.1
Maryland	1,631,526	1.32	36,015,131.88	1.57	19,154,022.60	2.34	16,924,322	14,383,874	85.0	2,244,330	13.3	296,118	1.7
Massachusetts	4,240,614	3.45	76,107,937.04	3.31	39,622,028.81	4.85	105,221,184	67,159,620	63.8	117,777	.1	37,943,787	36.1
Michigan	4,842,325	3.93	97,002,998.41	4.22	28,169,277.71	3.47	66,451,429	49,892,324	75.1	9,255,394	13.9	7,303,711	11.0
Minnesota	2,563,953	2.08	24,930,976.70	1.08	10,551,764.40	1.29	44,411,649	34,435,134	77.5	3,498,292	7.9	6,478,223	14.6
Mississippi	2,009,821	1.63	1,504,789.00	.07	631,034.61	.08	13,641,949	12,713,575	93.2	74,597	.5	853,777	6.3
Missouri	3,620,367	2.95	59,397,650.56	2.58	22,074,838.51	2.70	42,095,762	32,151,020	76.4	6,069,417	14.4	3,875,325	9.2
Montana	537,606	.44	2,295,465.71	.10	685,114.28	.08	9,821,460	9,085,409	92.5	409,230	4.2	326,821	3.3
Nebraska	1,377,903	1.12	5,817,711.08	.25	2,630,338.71	.32	15,834,466	12,971,001	81.9	2,748	(³)	2,860,717	18.1
Nevada	91,058	.07	2,246,071.52	.10	1,736,364.78	.21	2,776,444	2,308,553	83.1	115,527	4.2	352,364	12.7
New Hampshire	465,293	.38	3,270,549.71	.14	1,455,411.37	.18	5,606,532	2,159,299	38.5	1,560,868	27.8	1,886,365	33.7
New Jersey	4,041,334	3.28	96,003,207.65	4.17	41,337,659.13	5.06	62,632,087	45,724,549	73.0	12,283,310	19.6	4,624,228	7.4
New Mexico	423,317	.34	722,330.63	.03	289,861.02	.04	8,145,609	7,718,337	94.7	339,512	4.2	87,760	1.1
New York	12,588,066	10.22	528,994,948.71	22.99	260,844,259.47	31.92	308,644,238	172,306,206	55.8	54,670,506	17.7	81,667,526	26.5
North Carolina	3,170,276	2.57	230,632,858.61	10.02	12,957,991.46	1.59	16,342,984	16,294,426	99.7	0	0	48,558	.3
North Dakota	680,845	.55	683,733.62	.03	292,321.55	.04	13,736,377	11,860,493	86.3	41,938	.3	1,833,946	13.4
Ohio	6,646,697	5.39	111,810,173.15	4.86	37,895,741.72	4.64	97,737,344	85,397,724	87.4	8,514,075	8.7	3,825,545	3.9
Oklahoma	2,396,040	1.95	41,239,069.72	1.79	6,921,570.00	.72	21,681,574	19,439,486	89.7	179,960	.8	2,062,128	9.5
Oregon	953,786	.77	4,225,654.88	.18	1,740,784.85	.21	12,223,034	9,104,956	74.5	1,690,750	13.8	1,427,328	11.7
Pennsylvania	9,631,350	7.82	183,687,536.45	7.98	66,461,022.18	8.13	213,007,900	163,647,051	76.8	39,994,466	18.8	9,366,383	4.4
Rhode Island	687,497	.56	11,538,478.95	.50	6,125,959.00	.75	8,680,303	3,038,140	35.0	2,396,796	27.6	3,245,367	37.4
South Carolina	1,738,765	1.41	3,274,252.65	.14	2,047,644.16	.25	12,777,010	12,449,258	97.4	1,324	(³)	326,428	2.6
South Dakota	692,849	.66	881,211.05	.04	347,033.97	.04	13,335,010	12,020,466	90.1	0	0	1,314,544	9.9
Tennessee	2,616,556	2.12	11,610,658.70	.51	5,163,773.23	.63	18,155,148	16,486,435	90.8	250,000	1.4	1,418,713	7.8
Texas	5,824,715	4.73	60,587,753.27	2.20	16,176,698.67	1.98	45,311,523	39,320,117	86.8	5,775,663	12.7	215,743	.5
Utah	507,847	.41	2,218,179.28	.10	914,966.26	.11	10,575,958	8,297,073	78.2	1,425,473	13.5	883,412	8.3
Vermont	359,611	.29	1,129,956.00	.05	644,405.85	.08	2,694,865	1,759,661	65.3	16,745	.6	918,459	34.1
Virginia	2,421,851	1.97	116,674,856.64	5.07	8,796,186.92	1.08	14,168,727	13,357,218	94.3	14,359	.1	797,150	5.6
Washington	1,563,396	1.27	10,147,805.31	.44	3,592,337.63	.44	20,886,242	16,687,670	79.9	3,232,872	15.5	965,700	4.6
West Virginia	1,729,205	1.40	7,833,959.88	.34	3,582,747.46	.44	20,707,801	17,679,605	85.4	2,715,205	13.1	312,991	1.5
Wisconsin	2,939,006	2.39	40,237,539.14	1.75	7,796,324.34	.95	49,196,223	35,231,996	71.6	3,179,922	6.5	10,784,305	21.9
Wyoming	225,665	.18	972,176.41	.04	422,561.86	.05	3,470,354	3,173,941	91.5	242,816	7.0	53,597	1.5
Philippine Islands			475,225.15	.02									
Total	123,202,660	100.00	2,300,816,308.88	100.00	817,025,339.72	100.00	1,826,930,942	1,359,978,466	74.4	224,166,247	12.3	242,786,229	13.3

¹ Exclusive of processing taxes.² Includes obligations incurred for relief extended under the general relief program, under all special programs, and for administration; these figures also include purchases of materials, supplies, and equipment, rentals of equipment (such as team and truck hire), earnings of nonrelief persons employed and other expenses incident to the emergency work-relief program.³ Less than half of 1 percent.

NOTE.—Statistics on population compiled from Census figures; data on Internal Revenue collections from Bureau of Internal Revenue; Emergency Relief obligation statistics from release of Mar. 18, 1936, by Federal Emergency Relief Administration.

States where the Federal contribution was between 60 and 74.4 percent are as follows: California, Indiana, Iowa, Massachusetts, New Jersey, Vermont, and Wisconsin.

The final category includes those States which received less than 60 percent from the Federal Government of all money spent in those States for relief. There are but six of them, as follows: Connecticut, Delaware, Maine, New Hampshire, New York, and Rhode Island.

Expenditures for the Public Works Administration, the Civilian Conservation Corps, the Civil Works Administration and all other forms of public works expenditures are not included in these tables. If they had been included—Federal loans excepted—the Federal Government's contribution to unemployment relief would have been substantially greater.

Touching the question of the contribution by the States to the Federal Treasury in the form of Federal taxes, we find that there are 26 States whose total Federal taxes, excluding processing taxes, are less than the amount they received from the Federal Government for emergency relief expenditures alone. These States are: Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Carolina, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, and Wyoming. There are many other expenditures by the Federal Government in these States covering various lines of activity, and if these were added to the total of the relief expenditures the comparison between Federal taxes paid and Federal expenditures would, of course, be sharper.

COMMODITY CREDIT CORPORATION

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 15 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, it has been said that this bill merely authorizes a bookkeeping operation by which the R. F. C. transfers \$97,000,000 from loans to the C. C. C. to capital investment.

In order to understand this we must review the set-up of the Commodity Credit Corporation and the investments of the Reconstruction Finance Corporation in that Corporation. First let it be understood that the Commodity Credit Corporation is managed from the Reconstruction Finance Corporation office and is virtually a part of the Reconstruction Finance Corporation. So during these debates let us not imagine the Commodity Credit Corporation in one building, with a directorate and a staff, far removed from the building and the directorate and the staff of the Reconstruction Finance Corporation, because for all practical purposes they are one and the same.

The Commodity Credit Corporation was set up under an Executive order signed by the President on October 17, 1933. It is a Delaware corporation and it has a capital of \$3,000,000. We gave the President general authority to set up a corporation having these powers, and he did so. Understand that until the Reconstruction Finance Corporation extension bill was enacted by the Congress last year, the Congress of the United States had never at any time directly approved the organization of the Commodity Credit Corporation. When we extended the life of the Reconstruction Finance Corporation last year, we extended the effective life, but not the corporate life, of the C. C. C. until April 1, 1937. The Corporation is chartered under Delaware law for an indeterminate period of years, but its life is limited to April 1, 1937, by section 7 of Public, No. 1, Seventy-fourth Congress, or such earlier date as may be fixed by the President by Executive order.

The Corporation borrows its money from the Reconstruction Finance Corporation and pays 3 percent for it. It makes loans to cotton farmers and charges 4 percent for it. The Reconstruction Finance Corporation gets its money from the Treasury of the United States at 2½ percent. There is one-fourth of 1 percent spread between what the Reconstruction Finance Corporation pays for its money and that for which it lends it to the C. C. C. There is a 1 percent spread between what the Reconstruction Finance Corpora-

tion receives from the C. C. C. and that for which the farmer pays for it.

We should not fool ourselves at all about this legislation. As I said in the beginning, we were told that it was purely and simply a little bookkeeping operation, whereby the Reconstruction Finance Corporation would credit itself with the purchase of \$97,000,000 worth of capital stock of the C. C. C. and reduce the loans which it held against cotton and corn and resin and turpentine that much.

Against a capitalization of \$3,000,000, the Reconstruction Finance Corporation has a total debt outstanding against cotton loans of \$288,300,977.77, according to the daily report of the loans of the Commodity Credit Corporation as of March 9, 1936. Against this \$3,000,000 capitalization the Reconstruction Finance Corporation, on that date, had loaned the Commodity Credit Corporation, or there was outstanding on that date on loans, \$311,607,614.29. We might as well meet this thing and understand it and not try to fool ourselves or our constituents about the purpose of this bill. The Reconstruction Finance Corporation has got itself into a very bad banking bargain. It has got itself in a hole, and hold some very bad loans. It is bad banking for any bank to loan over \$311,000,000, against a capitalization of \$3,000,000.

So they come to Congress and ask us to bail them out.

Now, this is not so bad. Simply because they have made this mistake in the past is no reason in itself why we should not help them out of this hole and increase the capitalization of the C. C. C., but, Mr. Speaker, one of the purposes of this bill is to delay the day of reckoning and allow the Commodity Credit Corporation to charge against its capital the loss in cotton, whatever it is, instead of compelling the Reconstruction Finance Corporation to call its loans and sell the cotton on the market.

Now, Mr. Jones says that he would not call the loans, and there is no danger whatever of demoralizing the market by the sale of C. C. C. cotton holdings. So there is absolutely no reason why the bill is before Congress, except that the President is doubtful about the policy he established in pegging the price of cotton at 12 cents, and wants Congress to put its stamp of approval on that policy.

This is the first time you have been called upon to put your stamp of approval on the methods of the Commodity Credit Corporation whereby they try to peg the price of a commodity at any figure.

Mr. SNELL. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SNELL. As a matter of fact, what difference is there between the Commodity Credit Corporation and the old Farm Board?

Mr. WOLCOTT. I was coming to that. These gentlemen on the Democratic side may be all right and sincere, but at their convention in 1932 they denounced the Farm Board of the Republican Party because of its attempt to stabilize agricultural prices by taking the surplus off the market. They did it in these words:

We condemn the extravagance of the Farm Board, its disastrous action which made the Government a speculator of farm products and the unsound policy of restricting agricultural products to the demands of domestic markets.

You condemned it, and when I read it in your platform I said:

Could the Republican Party be so vile, so low, as to jeopardize the interests of the taxpayers of the United States by putting into operation such a destructive machine as the Farm Board?

I was not here at that time, so I do not know what I would have done.

Now, we have your party, your President, and the Department of Agriculture advocating for cotton what the Republican Party in the Farm Board tried to do for wheat. There is no denying that. I call attention that at the present time your President has created another Farm Board and called it the Commodity Credit Corporation, and the only distinction between the Farm Board and the Commodity Credit Corporation is in the name and the fact that now you deal in

cotton instead of wheat. The Commodity Credit Corporation loans 12 cents a pound on cotton.

There is a carrying charge, a warehouse charge, a storage charge, and so forth, of a cent and a half a pound, and there is 1 cent a year interest charge which it has to pay, so at the present time it has invested 14½ cents in every pound of cotton it holds, and there are over 4,500,000 bales of it in the warehouses of the Commodity Credit Corporation. It is pyramiding from year to year. Do you know what four and a half million bales of cotton amount to? With the 800,000 bales of futures which they also control, it is just about one-half of 1 year's production of cotton in the United States, and about 25 percent of the world production of cotton for 1 year. In 1934 we produced in the United States a little over 9,000,000 bales of cotton, and we took off the market through the Commodity Credit Corporation more than half of the year's yield of cotton in the United States. Are you going to continue to do that? If you are going to continue to do that, you not only are pyramiding the expenses, the cost of carrying this, but the carry-over last year was between three and four million bales of cotton above the average carry-over, so it is going to necessitate a continuation of this Commodity Credit Corporation beyond April 1937, unless you dump it on the market. You have one of two alternatives with respect to this hole you have gotten yourselves into. You may either dump this cotton and demoralize the market, and take your loss, or you can hold it and take your loss.

You are going to lose, because the Reconstruction Finance Corporation, in their good judgment, do not want to and they will not dump this cotton on the market, and each year you are increasing the carrying charges by 1 cent a pound. If you hold it you will take a loss, because by reason of the false dollar value which you have given cotton, you are constantly decreasing the amount of cotton exported, which has constituted 50 percent of the cotton crop of the United States from the time that the memory of man runneth not to the contrary, and you are pyramiding not only the amount of cotton held but also the carrying charges against that cotton to the extent that you have to take either one of two ways out, as I have said—by dumping it on the market and depreciating the price of cotton, or holding it and taking your loss in the manner which I have said. The point I make is this: In 1930 would any of you on the Democratic side have voted to institute the Farm Board? Did you do so? If you did, then with consistency you can put your stamp of approval upon the Commodity Credit Corporation, but if you were against the Farm Board, as you said in your platform, then you cannot with consistency put your stamp of approval on the Commodity Credit Corporation.

Now, I am going to speak politically for a moment. Every time we have criticized the Agricultural Adjustment Act you gentlemen have come back at us and said, "Farm Board." You have thrown the Farm Board in our faces, but henceforth when the Republican side of the House denounces the farm policies of the administration, do not say anything to us about the Farm Board, because we are going to say that you have approved the Farm Board by the institution of the Commodity Credit Corporation.

Mr. REILLY. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. REILLY. Is it not a fact that this Commodity Corporation loaned millions and hundreds of millions on cotton and corn in 1934 and got it all back without the loss of a dollar?

Mr. WOLCOTT. I shall have to answer the gentleman by saying that upon the basis of the 1934 crop the loans or total holdings of the Commodity Credit Corporation of cotton amounted to 49 percent of the crop. The loans on the corn crop amounted to eight one-thousandths of a cent as against 49 percent of the cotton crop, and when you tell us about the Commodity Credit Corporation loaning on corn for the purpose of helping the corn farmer, be reminded that the total the Commodity Credit Corporation invested is eight-thousandths of a cent on every dollar of corn, whereas it has 49 cents on every dollar of cotton.

Mr. HANCOCK of North Carolina. It is true, is it not, that the Commodity Credit Corporation has made \$128,-000,000 in corn loans?

Mr. WOLCOTT. The reason for getting their corn loans back is the fact that they had an entirely different policy for corn than for cotton. They did not try to peg the price of corn, but they did peg the price of cotton, and now, with cotton down to 11½ cents, you have a paper loss there below what you pegged your price at, with an actual loss of about 3 cents a pound at the present time on every pound of cotton. I think the figures are somewhere between \$34,000,000 and \$38,000,000, which you have already taken as a paper loss on cotton, which is increasing with every drop in the cotton market and increasing every month that you have to carry this four and a half million bales of cotton.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. HANCOCK of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HANCOCK of North Carolina. Is it not a fact that, with the exception of a few loans made in 1933, pending the enactment of the Agricultural Adjustment Act, the Commodity Credit Corporation has never made a loan of a dollar against any commodity except below the market price of that commodity?

Mr. WOLCOTT. I think probably that, unless we analyze that much further, the gentleman's question in the main may be answered in the affirmative; but they should have anticipated, as we all anticipated, that cotton would drop in price, even if they made a 12-cent loan when cotton was 12½ or 13 cents, because that loan was made for the express purpose of pegging cotton at 12 cents. You did not loan against corn with the idea of pegging the price at any given level; and because you loaned underneath the market price of corn, they could repay their loans. You have to take the loss on cotton because you loaned on a false value and not upon a true market value. [Applause.]

The SPEAKER. The time of the gentleman from Michigan has again expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the balance of my time to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Speaker, on several occasions during this session of Congress I have taken the floor and criticized what I considered to be legislation inimical to the best interests of the dairy industry of this country. A few weeks ago when this House passed the new agricultural program—the soil-conservation bill—we had before us the so-called La Follette amendment, an amendment that was put in the bill in the Senate and brought to this body. It was offered on the floor by my distinguished colleague from Wisconsin [Mr. HULL] in identical terms with the La Follette amendment offered in the Senate, and that amendment was rejected on the floor of the House. That amendment was intended for the purpose of stabilizing the dairy industry. One of the reasons why that amendment was objected to was that it was carrying on activities similar to the activities of the old Farm Board. At that time, when we were considering stabilization for dairying, the House thought it was wrong to consider stabilization activities. It is always wrong to do these things for the dairy industry, but today we find ourselves perpetuating and continuing a policy of stabilization, primarily in the interest of cotton—but it is fundamentally wrong to do so for the dairy industry.

The La Follette amendment provided permissive authority to the Secretary of Agriculture to carry on operations almost identical with the operations carried on by the Commodity Credit Corporation, activities similar to those that will be carried on in the future. It is all right for cotton, but it is fundamentally wrong when it comes to dairying.

I want to say this for the Record. At the very time when that La Follette amendment was being considered in

conference, the Senate having put it in and the House having turned it down, at the very time the conferees from this House and the Senate kicked the La Follette amendment out of the window, the Senate passed this bill which is primarily for cotton. It was turned down because it is fundamentally wrong to carry on this stabilization for the dairy industry. I want to warn the majority Members of this House, the present party in power, against what has been going on in the past with reference to the dairy industry. The dairy industry is becoming pretty well convinced, I want to say to my Democratic friends, that they are getting a dirty deal from this administration. I want to say to you that if you expect the support of dairymen in the coming election, you had better change your tactics. You have to recognize that if a proposition is fair for cotton, that the dairy industry ought to get a fair deal out of it. We have as much right to expect fair treatment as any other group of agriculturists.

Mr. Speaker, I yield back the balance of my time. [Applause.]

The SPEAKER. All time has expired.

Mr. DRIVER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. GOLDSBOROUGH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3998) to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3998, with Mr. Cox in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. HOLLISTER. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, this seems to have become something of a discussion as to the relative merits and demerits of the Commodity Credit Corporation and the Farm Board. Despite everything said on either side, I do not think any fair-minded individual can say there is any essential difference in the operations of the Federal Farm Board and the Commodity Credit Corporation. They were both organized for the purpose of stabilizing prices, and anyone now praising the Commodity Credit Corporation and making the claim it has been a great success cannot very consistently condemn the Farm Board policies. Anyone who condemns the Farm Board policies cannot consistently defend the policies of the Commodity Credit Corporation. Their objectives and purposes were essentially the same, and likewise the administration of one was no different from the other. The Commodity Credit Corporation was more fortunate than the Farm Board in that it began its operations during a time of rising prices. As to its corn loans, it was particularly fortunate because the drought and a short corn crop in the succeeding year brought corn prices to a high point which had not been attained for a number of years.

Mr. THOM. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Ohio.

Mr. THOM. I know the gentleman from Kansas is always fair in his discussions on the floor of the House, and I should like to ask him a question. Under the Farm Board system there was no control of crops and no effort made to avoid a surplus, whereas during the life of the Commodity Credit Corporation there has been in existence crop-control programs which have made less possible the piling up of surpluses. It therefore seems to me that the Commodity Credit Corporation has operated under a different set of circumstances and more favorable circumstances.

Mr. HOPE. That has been given as a reason and an excuse for the operations of the Commodity Credit Corporation, and it has been used as a reason for distinguishing its operations from those of the Farm Board. As a matter of fact, I do not believe it is a valid distinction, because had it not been for the 1934 drought we would have had, even with the reduction in effect, at normal yields a corn crop of a size sufficient to have caused a loss so far as the stabilization efforts of the Commodity Credit Corporation were concerned. As far as cotton is concerned, although there has been a reduction in the domestic production, there has been an increase in world production which has to a large extent acted as an offset to domestic reductions. Cotton being a world crop, the efforts to reduce production have been quite ineffective. So that I do not believe, except in theory, there is the great distinction which the gentleman has just mentioned.

Mr. WOLCOTT. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Michigan.

Mr. WOLCOTT. While the Cotton Control Act was in effect the statistics show, and the experts tell us, that the carry-over for last year was between three and four million bales above the average.

Mr. HOPE. That is true.

Mr. BROWN of Georgia. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Is it not true that since 1933 the surplus in cotton has been reduced from 13,000,000 bales to a little less than 9,000,000 bales?

Mr. HOPE. The surplus in American cotton?

Mr. BROWN of Georgia. American cotton.

Mr. HOPE. Yes; that is true. That was due, of course, to the reduction under the Bankhead Act.

Mr. Chairman, I want this afternoon to particularly discuss the cotton situation and the operations of the Commodity Credit Corporation as far as cotton is concerned. I expect to vote for the pending bill, because I do not consider that a vote on this measure is a vote on the merits or the demerits of the Commodity Credit Corporation. I think this bill provides for a better financial set-up and one under which the Commodity Credit Corporation can better conduct its operations; therefore I expect to vote for it. But I do want to point out some of the results of the operations of this measure and its effect upon the cotton industry in this country.

It does seem strange perhaps that after the experience we had with cotton under the Farm Board Act, whereby we suffered a loss of something like \$145,000,000, that we would enter into cotton-stabilization operations such as the Commodity Credit Corporation has undertaken. Particularly is it strange that it should be done by an administration which so thoroughly condemned the Farm Board. The reason given is that which was stated by the gentleman from Ohio a few moments ago, namely, that there was a reduction campaign in effect as far as cotton was concerned, and that under those circumstances it was perfectly safe to attempt to stabilize prices. That might have been all right if cotton were purely a domestic commodity, but when it is considered that half of our cotton must be exported, and that our total production during the last 2 years was about two-fifths of the world production, it can be seen that a domestic reduction might have very little bearing. Cotton prices are made in the world market and are based on world production.

Mr. Chairman, I wish to speak particularly in reference to the policy that was adopted in 1934 of lending 12 cents per pound on cotton, which was so much above the market price that the Government succeeded in acquiring 4,500,000 bales of cotton, or approximately half of the crop grown in the United States in 1934. It still has this cotton on its hands. In addition to this it has in spot cotton and in futures something like 1,100,000 bales of additional cotton owned by other Government agencies. So that today the Government of the United States has under its control considerably more than one-half of the crop of cotton that we have grown in either of the last 2 years.

These cotton loans of 1934 have done considerable injury, I think, to every producer of cotton in the country. What have been the results of these loans which were made at

higher than the market price of cotton? In the first place they have done more than anything else to lose us our export market. Our exports of cotton for the marketing year 1934-35, when this policy was in effect, were only 4,799,000 bales, which is the lowest for many, many years. I do not have the figures all the way back, but this was lower than any year since 1920, and I think for a good many years prior to that time unless during the war period.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for a question in that connection?

Mr. HOPE. I yield.

Mr. BANKHEAD. Is it not true that during the same period there was a tremendous reduction in the exports of other raw materials and manufactured good from this country?

Mr. HOPE. I think that is true.

Mr. BANKHEAD. And it did not apply particularly to cotton exports the gentleman will admit.

Mr. HOPE. The gentleman does not think that it helped the cotton situation any because our exports of other raw materials were down at the same time? It did do a definite damage to the cotton industry of this country to lose our export markets as we did, mainly as a result of this abnormally high loan value placed on cotton.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BANKHEAD. However, the gentleman will admit that the statistics show that the reduction in the exportation of cotton was smaller in percentage than in any other commodity of foreign export, will he not?

Mr. HOPE. No; I do not have any figures that show that. I can simply say I do not know whether that is true or not.

Mr. BANKHEAD. I can say that that is true.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. CRAWFORD. What the figures also show is that while our exports of cotton and cotton goods dropped off, the exports of Japan picked up by thousands of percents of increase, the exports of cotton goods from Japan replacing our markets.

Mr. HOPE. I think that is true, and I thank the gentleman for his contribution.

Now, the unfortunate part of this matter was that while we were reducing our production of cotton in this country and while our exports were falling off as a result of this unwise policy, other countries were increasing their production, and in the crop year 1934-35 the world production of cotton outside of the United States was the greatest ever known, and this year, 1935-36, the world production of cotton outside the United States has still further increased above that for the year 1934-35, in spite of the reduction which American farmers made last year.

There was an increase in world acreage of over 3 percent and an increase in production of over 10 percent during that time, so that whatever benefits we may have acquired in this country by reducing our cotton acreage have been nullified and neutralized by this increase in cotton production in other countries. In other words, every bale of cotton that the American farmer has failed to produce has been produced by some foreign farmer, and he is sending it today into the world market, where American cotton formerly went.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I cannot yield right now. If I get more time, I shall be pleased to yield to the gentleman.

This brings us to this situation: Irrespective of having lost part of our world cotton market, we have the problem on our hands of disposing of 4,500,000 bales of cotton, in addition to the 1,100,000 bales which are still left over from the Farm Board operations. It has been 5 years since the Farm Board bought any cotton, and we still have 1,100,000 bales of Farm Board cotton, owned by the Government. How long, at this rate, is it going to take us to dispose of

this 4,500,000 bales that the Government has acquired through the Commodity Credit Corporation?

Everyone knows we are going to produce a larger cotton crop this year, weather conditions being the same, than we did last year or the previous year, and everyone knows that world cotton production is increasing. So how are we going to dispose of this 4,500,000 bales of cotton which the Government now has on hand? If we sell it today at the going market price of spot cotton, which was 11.70 in New York on Saturday, we stand to lose practically \$40,000,000, because the Government has in this cotton today something like 13½ cents a pound. This means a loss of practically 2 cents a pound on 4,500,000 bales of cotton.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. HOPE. So this is the loss which would accrue to the Government if this cotton could be sold at today's prices.

But this cotton cannot be sold this year and all the time charges and expenses are going on and piling up against this cotton at the rate of about two-thirds of a cent per pound per year.

If we should sell this cotton, we know what effect it would have on the cotton market. It would absolutely demoralize it, and the Government will not adopt that policy.

So we have today as the result of this ill-advised policy of loaning more than cotton was worth—we have as a result of this policy on our hands 4,500,000,000 bales of cotton, which is going to be a deadweight on the cotton market and will result in all probability in lower prices for cotton for a number of years to come. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HANCOCK of North Carolina. Mr. Chairman, in my opinion there are many material differences between the Commodity Credit Corporation and the old Farm Board. Any man who has read the report filed by this Corporation is obliged to take a great deal of pride in it. It would be difficult to measure its accomplishments. It has been of great benefit to the producers of many products in our country, especially the cotton and corn farmers. Whereas, the old Farm Board's operations brought the price from a high point to a lower point, the Commodity Credit Corporation's operations have resulted in bringing the commodity prices from a low point to a high point.

This bill should be quite easily understood by all who want to understand it.

Mr. Jones, in his statement before the committee, outlined four major points involved in this legislation:

(1) No new Government funds will be required, the bill merely transferring a portion of the funds heretofore advanced by the Reconstruction Finance Corporation to an investment in capital stock of Commodity Credit Corporation.

(2) The bill will not affect the Budget, is not objectionable to the Secretary of the Treasury, and has been approved by the Secretary of Agriculture and Administrator of Agricultural Adjustment Administration.

(3) It will enable the Corporation to meet its obligations to the Reconstruction Finance Corporation, and place it in a position to margin its loans and borrow from private sources on the security of commodities at very low interest rates and without Government guarantee.

(4) It will assist the Corporation in the orderly liquidation of its stock of cotton and other commodities without adversely affecting prices.

The hearings before the House committee set out in detail the origin of this Corporation. I call the attention of the House to a letter from the Chairman of the Reconstruction Finance Corporation to the President, recommending that this legislation be enacted, which recommendation was approved by the President.

Under section 201-d, title II, of the Emergency Relief and Construction Act of 1932, as amended, the following authority is given to the Corporation: To make loans to bona-fide institutions

organized under the laws of any State or the United States, and having resources adequate for their undertaking.

I call attention to that last clause which authorizes the Reconstruction Finance Corporation to make loans to any bona-fide institution "having resources adequate for their undertaking."

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes. I yield to my friend.

Mr. WOLCOTT. Is there any reason why the President by Executive order should not direct that the charter of the Commodity Credit Corporation be amended and its capitalization increased from \$3,000,000 to \$100,000,000?

Mr. HANCOCK of North Carolina. I know of no particular reason except that probably this is the quicker way of doing it. Of course only Congress can authorize the investment by the R. F. C. in the capital stock of the Commodity Credit Corporation. That is the main reason this bill is before us.

Mr. WOLCOTT. The charter has to be amended, anyway, and would it not be quicker for the President, as he did in the first place, to provide for that by Executive order; and is there not authority under the Reconstruction Finance Corporation Act for the Reconstruction Finance Corporation to invest in this capital stock without further authorization by the Congress?

Mr. HANCOCK of North Carolina. I think from a legal standpoint the gentleman's statement is absolutely correct, but I believe that the Members of the Congress welcome the opportunity to give this legislation his or her approval.

Mr. WOLCOTT. Will the gentleman tell us why this legislation is before us, except that the administration wants us to put our stamp of approval upon the Commodity Credit Corporation?

Mr. HANCOCK of North Carolina. I think practically every Member of the House, and I hope the gentleman will join with us, desires this opportunity of expressing his appreciation for this legislation because of the wonderful good it has done the producers and the country in general.

So much has been said about the relationship between the Commodity Credit Corporation and the old Farm Board that some of us on the committee had anticipated this issue would be raised. I think anyone who fully understands the philosophy behind the Commodity Credit Corporation could not under any fair and rational construction, say that it was even distantly akin to the old Federal Farm Board. It is true that both corporations were born in America, and that is about the only similarity of any consequence that one can correctly relate as between these two institutions.

Although it has nothing whatever to do with the merits of this bill, it was anticipated that, for partisan reasons, advantage would be taken of the opportunity afforded by its consideration to criticize this administration by attempting to compare the Commodity Credit Corporation and its operations to the late and lamented Federal Farm Board and its operations under the Hoover administration.

The Federal Farm Board was created by the Agricultural Marketing Act, approved June 15, 1929. It should be remembered that that act constituted the entire agricultural program of the Hoover administration and that the Farm Board was the sole agency for its administration. Its record and the tremendous losses sustained, in its futile effort to stabilize prices, are still fresh in the minds of most of us. This administration, which could not help but profit by the mistakes of its predecessor, attempted to meet the situation by a carefully considered program, based upon the voluntary participation and cooperation of the farmers. I refer to the Agricultural Adjustment Act approved May 12, 1933, as amended.

Aside from the objectives sought to be achieved, this program is fundamentally different from that embodied in the Agricultural Marketing Act, administered by the Farm Board, as is immediately perceptible from the declaration of policy of the Congress as stated in the two acts.

The policy declared in the Agricultural Marketing Act is—

To promote the effective merchandising of agricultural commodities in interstate and foreign commerce, so that the industry of agriculture will be placed on a basis of economic equality with other industries, and to that end to protect, control, and stabilize the currents of interstate and foreign commerce in the marketing of agricultural commodities and their products.

The policy declared in the Agricultural Adjustment Act is to—

Establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in a certain base period fixed by the act.

You are all familiar with the means by which this administration sought to carry out this policy and achieve these results under the Agricultural Adjustment Act, as amended, prior to the much-discussed decision of the Supreme Court invalidating the processing taxes levied under the act. You are also familiar with the means by which this administration now, and as the result of the Supreme Court decision, seeks to carry out this policy and achieve these objectives under the Soil Conservation and Domestic Allotment Act, approved February 29, 1936. I shall refer to the means by which the Hoover administration vainly attempted to carry out the policy and achieve the objectives of the Agricultural Marketing Act later in distinguishing the nature and character of the loans made by Commodity Credit Corporation from the stabilization loans and operations of the Federal Farm Board.

As indicated by the statements of policy just quoted from the two acts, the Agricultural Marketing Act approached the problem from the standpoint of removing and controlling surpluses of agricultural commodities, and the Agricultural Adjustment Act approached the problem from the standpoint of preventing the creation of surpluses of agricultural commodities. Commodity Credit Corporation was created to assist in carrying out the policy and achieving the objectives of the Agricultural Adjustment Act by making loans to farmers cooperating in the program, upon the security of agricultural commodities, in order that such farmers might orderly market their commodities.

Only the original loans made by the Corporation upon the 1933 corn and cotton crops were made in an amount in excess of the market value of such commodities at the time the loans were approved and might be, in a sense, regarded as price-pegging loans.

In this connection it should be recalled that there was a considerable carry-over from the 1932 crop, and that the agricultural adjustment programs, which were then just beginning to function, could hardly become effective for almost a year. The prices of agricultural commodities were greatly depressed, and loans of the character made by Commodity Credit Corporation were deemed necessary to permit the farmers to carry these commodities and orderly market same in order to reap the benefits of the increased values anticipated as the result of the agricultural adjustment programs.

The loan on the 1933 corn crop was paid in full, including 4 percent interest, by producers. Loans on the 1933 cotton crop, with the exception of a negligible amount, have been paid by the producers, and no loss on these loans will be suffered.

With the exception of the original loans made by the Corporation on the 1933 cotton and corn crops, all loans made by the Corporation have been for less than the market value of such commodities at the time the loans were approved. There has been much discussion within the past few months concerning the 12-cent cotton loans made by the Corporation during the 1934-35 season. While cotton prices are now slightly less than the amount of such loans, with carrying charges added, when the loan was arranged the price was approximately 13½ cents.

The loans of 55 cents per bushel on the 1934 corn crop were paid in full, with interest, and without loss to the Government.

The Corporation is loaning 45 cents per bushel on the 1935 corn crop, and 10 cents per pound on the 1935 cotton crop, both amounts being considerably less than the present market values of such commodities, and no losses are anticipated.

There will be some loss in connection with present loans on gum resin and gum turpentine, but not a great deal. These loans were made in connection with a program of market adjustment, under a license and marketing agreement of processors under the Agricultural Adjustment Act.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes.

Mr. WOLCOTT. The gentleman mentions that the loss on gum resin would not be very great. I call the gentleman's attention to the fact that the only investment the Commodity Credit Corporation has in gum resin is \$5,839,185.64, so that the loss, if it lost all of it, would not be tremendous.

Mr. HANCOCK of North Carolina. No; and I think more than a million dollars of that amount has been collected.

The chairman of the Committee on Banking and Currency, in explaining the nature and purposes of the bill, has given a comprehensive summary of the organization, loan policy, source of funds, and record of the Commodity Credit Corporation. It is my purpose to show wherein the operations of this agency differ from those of the Federal Farm Board.

First. The affairs of the Federal Farm Board were managed by a board of eight directors, each of whom drew a salary of \$12,000 a year. Commodity Credit Corporation is managed by a board of nine directors composed of officials of several other departments or agencies of the Government experienced in commodity financing, and who serve without additional compensation, including the Secretary of Agriculture, the Governor of the Farm Credit Administration, and the Administrator of the Agricultural Adjustment Administration. The Corporation's president is the Honorable Lynn P. Talley, assistant to the directors of the Reconstruction Finance Corporation, former Governor of the Federal Reserve Bank of Dallas, and generally recognized as one of the best qualified bankers in the United States.

Second. The Federal Farm Board was authorized to make loans only to cooperative marketing associations and to stabilization corporations, in which all of the voting stock was held by cooperative marketing associations. The futile efforts of the Board to stabilize prices were made by loans both to cooperative marketing associations and to stabilization corporations. It will be recalled that both the stabilization corporations and the cooperatives through which these efforts were made were completely dominated and controlled by the Board, and in most instances their organization was suggested and supervised by the Board.

Prior to the Supreme Court decision the Commodity Credit Corporation, as previously stated, made loans only to the actual producers of commodities, each of whom had cooperated in the adjustment program in the past and had agreed to so cooperate in the future. This requirement had a definite relationship to the success of the program. The stabilization loans and purchases of the Farm Board were made without reference to any program of production or market adjustment to prevent the accumulation of succeeding surpluses. Commodity Credit Corporation has made loans only upon commodities with respect to which there was in effect a program of production or market adjustment under the Agricultural Adjustment Act, as amended.

Third. The next distinction between the operations of the Federal Farm Board and Commodity Credit Corporation is very important. Loans of the character made by the Federal Farm Board resulted in the physical concentration usually in or near merchandising centers of large stocks of agricultural commodities. This in and of itself had an adverse effect on the markets. The transaction between the

producer and the Cooperative or Stabilization Corporation was one of purchase, the producer having no further direct interest in the commodity. Because of the control of these cooperatives and the stabilization corporations by the Federal Farm Board, the effect was that a board of eight men in Washington had the determination of when to sell, the quantity to sell, and the prices at which sales would be made. Many of you will, doubtless, recall the many announcements made by the Chairman of the Federal Farm Board as to what was or was not to be done in order to dispel the numerous uncertainties and rumors concerning the disposition of the large stocks held by the Board.

Fourth. Commodity Credit Corporation makes its loans to the farmer at his nearest or most convenient point of storage, and, in the case of corn, this is on the farm where it is sealed under State law. The farmer gets no greater loan if he pays freight and transportation costs. Hence, there is no large concentration of commodities in or near market centers. Notwithstanding the fact that, under the terms of the note and loan agreement, the producer is not personally liable on a loan from Commodity Credit Corporation except in cases of fraud or breach of contract; the transaction is one of pledge and not of sale. The producer's full equity is thus preserved, and he may obtain the release of the collateral at any time upon payment. Until a loan matures, the producer alone determines when to sell. A number of producers scattered over the entire Cotton Belt can sell locally, through the customary channels, a tremendous amount of cotton, in a single day, without adversely affecting the market. While it is well known that an offering, even of a nominal amount, by an agency owned or controlled by the Government and carrying a large stock, will immediately have the effect of depressing prices.

Fifth. In order to make its revolving fund of \$500,000,000 go as far as possible, the Farm Board used private funds by subordinating its lien and borrowing a portion of its loan on commodities from large metropolitan banks, or groups of banks. This aggravated the depressing effect of its large stocks on the market, since the banks could and would, necessarily, have to sell if their calls for additional margin were not promptly met by the Farm Board. Commodity Credit Corporation loans to producers are made under an arrangement whereby banks and other local lending agencies may make the loans to producers in the first instance, on forms furnished by the Corporation, such of them as meet the requirements of the Corporation being acceptable to it for purchase, at par with accrued interest at 1 percent less than the rate of interest applicable to the producer's note, if tendered on or before a fixed date. Banks serving the locality in which the commodity is produced have proven they are not only anxious to serve the farmers but are eager for the investment of surplus funds in these loans. In making them they render a valuable service to the producers and to the Government. More than 50 percent of all loans made to producers have been made by and carried by local banks and other lending agencies, and many of such loans were repaid by producers while still held by such banks and other lending agencies.

Commodity Credit Corporation has no appropriation for administrative expenses, and its operations are financed entirely from its earnings. On March 15, 1936, Commodity Credit Corporation had collected income of \$594,069.09 in excess of all administrative expenses. On accrued basis, the Corporation on the same date showed a net profit of \$4,093,294.32. This, of course, does not take into account any losses which may ultimately be sustained from its operations.

Although no comparison can be made at this time between the losses of the Federal Farm Board and the possible losses of Commodity Credit Corporation, since any losses of the latter Corporation will be established only by the ultimate liquidation of its affairs, attention is called to the following statement with reference to the Federal Farm Board, included in the report filed by the committee selected from the Senate Committee on Agriculture and Forestry, under the provisions of Senate Resolution 42, Seventy-second Congress,

to investigate the activities and operations of the Federal Farm Board (S. Rept. 1456, 74th Cong., 1st sess.):

The losses actually sustained on June 30, 1935, were equivalent to 50 percent of the amount of the revolving fund, and the loan balances estimated as uncollectible amounted to 17 percent of the fund.

Actual or prospective losses—a total of \$344,911,021.26—therefore, were equivalent to 67 percent of the amount of the fund and to 69 cents out of every dollar originally appropriated to the fund by the Congress of the United States.

I therefore trust our good friends who are merely talking for the RECORD will join with us and make the vote unanimous on the passage of the bill. [Applause.]

Mr. HOLLISTER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I am hoping to clear up one or two things which, to my mind, have not been mentioned. First, I want to compare as the others have compared the Federal Farm Board with this Commodity Credit Corporation and its methods. The only difference between the Republican Party and the Democratic Party has been like that of pledging the Government credit. The Democratic Party provided a billion dollars to the banks for the purchase of preferred stock, and then threw the whole Government after it by guaranteeing bank deposits. Here they were smart enough to guarantee the price of cotton at 12 cents, which at least temporarily stabilized the price. Cotton could remain about that, because our people knew they could not buy it any cheaper and they had to pay 12 cents because if they did not the Government would take it. This, however, does not square with what the Democrats promised in 1932 when they criticized our method. Well do we remember those days when the farmers of this country pleaded with the Hoover administration to come to their aid, and do so to the amount of several hundred million dollars. This little Commodity Credit Corporation owes about \$300,000,000 to the R. F. C., and it has a capitalization of only \$3,000,000. The R. F. C. states that those notes came due February 14 of this year, and they hesitate to renew them. They have renewed them twice. The R. F. C. does not want to renew them again.

They prefer to raise this capitalization so that the Commodity Credit Corporation can go to the banks of the country for loans, which they can do, on this cotton, at as low as 1 percent. Thus the farmers can save money. But if they renew the loans and hold them indefinitely, as Mr. Jones says he must hold them, and pay insurance, storage, interest, and other expenses, you will note that there will be a loss of perhaps 3 cents a pound on some 6,000,000 bales of cotton now controlled by the Government. We may lose 5 cents a pound, under that word "indefinite", and the probabilities are that we will lose \$300,000,000 before the entire transactions are liquidated. Take your pencil and figure it out. Five hundred pounds to the bale, 6,000,000 bales; a loss of perhaps 5 cents per pound. Temporarily we may use this scheme to unload it on the banks at 1 percent, with the guaranty of the Government to take over the loans if necessary. Temporarily, I say, the farmers may be benefited, because the banks know that they can bring those loans in later and the Reconstruction Finance Corporation must take them up.

Have you forgotten the Reconstruction Finance Corporation statement of a year ago? How much did they tell you they were obligated to take back in loans from banks that have already loaned on cotton, besides the Commodity Credit Corporation? I forget the exact amount, but, as I recall, it was some \$800,000,000. Figure this plan out, if they are forced to hold cotton off the market, as they must do under this plan of constantly renewing of notes. In reply to questions, Mr. Jones, of the R. F. C., said they would have to hold it indefinitely.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

Mr. WOLCOTT. I yield the gentleman 5 additional minutes, Mr. Chairman.

Mr. GIFFORD. I hope it is made clear to you that this is only a temporary adjustment. The Reconstruction Fi-

nance Corporation desires that the Commodity Credit Corporation place their loans with banks. It might help the farmer temporarily, but in the end it may all have to come back again, if it has to be indefinitely held. You are talking only about the \$280,000,000 owed to the Corporation, but the banks have advanced a lot of money besides this to the farmers. The Government has not only loaned and practically guaranteed all other loans and the whole Government credit is thrown back of this cotton because of the guaranteed price of 12 cents. Of course, they cannot sell it abroad at the world price except for the subsidy paid to the farmers. Currency troubles also prevent selling it abroad. This is explained by Mr. Jones' testimony at the hearing. It appears that we must hold it indefinitely for home consumption. Even now there is a carry-over of some 4,000,000 bales. Do not only look back at the Farm Board and make comparison, but also look back and examine your Democratic platform of June 17, 1932.

Mr. Roosevelt said:

We must at once take the Farm Board out of speculation in wheat and cotton and try out a new plan to get surplus crops out of the country without putting the Government into business.

May I emphasize the words "to get surplus crops out of the country"?

When President Hoover suggested to the farmers that they plow under every third row of cotton, do you remember the howl of rage that went up from all over the country? But immediately when you came into power, you went much further and said to the farmer, "Plow it up and we will pay you for doing so." "We will throw the full Government credit back of the farmer no matter what the loss!"

We did not attempt to pledge the whole Government credit in all sorts of schemes, as A. A. A. guaranties and subsidies. We promised the farmers merely cooperation, which we could not get. Neither could you until you baited them and paid them liberally to give it.

All of your criticisms of the Farm Board fall flat today in view of the many costly experiments you are making. But, as I have often said, "You have built the house. You have pledged the Government. We have to live in it with you." Some of us will vote for the bill. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. BANKHEAD. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, this bill only seeks to increase the capital stock of the Commodity Credit Corporation from \$3,000,000 to \$100,000,000. I do not see why anyone should oppose it.

The purpose of the bill is to enable the Commodity Credit Corporation to secure money at a small rate of interest. It can obtain money from private sources probably as low as 1 or 1½ percent. Many bankers who are unable to obtain good security for their funds are willing to loan to the Commodity Credit Corporation at this low rate of interest because they are protected and the security is adequate. Should the Corporation obtain loans for 1½ percent, with a spread of 1 percent for operation, it could then make loans to the farmers for something like 2½ percent, whereas under the present law the farmers have to pay 4-percent interest to the Corporation.

Heretofore the Reconstruction Finance Corporation made loans to the Commodity Credit Corporation at the rate of 3 percent, and the Commodity Credit Corporation made loans direct to the farmers at the rate of 4 percent.

The Commodity Credit Corporation was established as a governmental agency for the purpose of making loans on agricultural commodities and to finance the carrying and orderly marketing of such commodities. The Corporation loaned the corn farmers in 1933 and 1934, 45 cents per bushel when the market price was around 18 cents per bushel. It loaned on cotton 10 cents per pound in 1933 when cotton was being marketed for more than 10 cents per pound. The corn farmers paid back all their loans and the Commodity Credit Corporation lost nothing. In 1934 this Corporation loaned to cotton growers 12 cents per pound on cotton. At

that time it was bringing a little more than 12 cents per pound. Unfortunately cotton declined to some extent. The Corporation has on four and one-half million bales of cotton a loan of 12 cents per pound. With warehouse and carrying charges, the Corporation has something like 13½ cents per pound on the 12-cent cotton. To dump this cotton on the market at this particular time would certainly depress the market and probably the price of cotton would decrease 2 or 3 or perhaps 4 cents per pound.

By orderly marketing of cotton we can sell the surplus without depressing the market, and the Government will not lose on the loans, but if we dump a large amount on the market at this time the Government will probably lose a very large sum. So long as a threat exists that cotton may be dumped on the market without warning, it places both the buyer and the seller in the position of being frightened and therefore has a tendency to depress the market.

I hope and believe that by the passage of this bill and the orderly marketing of this cotton the Government will not lose anything.

Cotton does not deteriorate in the Government warehouses of the Nation, and therefore all the surplus cotton can be safely carried without any damage in grades. I know of no other commodity which can be carried for such a length of time without deteriorating. It is claimed by some that cotton would not deteriorate for half a century in our well-built Government warehouses.

None of the cotton farmers asked for loans on their corn in the cotton area.

I know of no other governmental agency which has been as beneficial to the farmers in stabilizing the prices of commodities as the Commodity Credit Corporation.

It is absolutely necessary that some method should be provided so that all the Government-owned cotton will not be forced on the market at one time, and I therefore cannot understand why anyone would oppose this bill.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 1 additional minute to the gentleman from Georgia [Mr. BROWN].

Mr. CITRON. Can the gentleman tell us whether or not with the increased capitalization as provided in this bill the tobacco farmers of the Connecticut River Valley may hope for help? I have heard a great deal about cotton, but I am interested particularly in tobacco.

Mr. BROWN of Georgia. It certainly will. This Corporation can lend on any commodity. Last year and this year it lent about \$7,000,000 to the tobacco growers of this country.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, that is too much. Five minutes will be enough.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I feel it would be trespassing on the indulgence and sufferance of the Members of the House at this late hour in the afternoon to talk for 20 minutes when it is not necessary, but like Ishmael of old, I want to raise my voice in the wilderness on this matter, since the issue of the old Farm Board has been injected into the discussion.

The gentleman from North Carolina [Mr. HANCOCK] a few moments ago undertook to state the essentials of this difference. If I were asked to state the difference between the old Farm Board and the Commodity Credit Corporation I would say it is a difference only in alphabetical arrangement. One would be the F. F. B., and the other would be the C. C. C. Back in 1928, of course, we had not learned how to ravish the alphabet, so we called it the Federal Farm Board. I feel this is the essential difference between the two. As one traces out the operations and functions of the Farm Board and of the Commodity Credit Corporation, the similarity is very manifest.

By way of history I feel this charitable and good-natured political bantering that is taking place this afternoon is rather informative, because it gives us a chance to revise and extend history. We can revise and extend our remarks in 20 minutes, but sometimes it takes 4 years to revise and extend history so that it will accord with the record. What impresses me out of history, of course, is what was written in the Democratic platform in Chicago in 1932 when they recited:

We condemn the extravagance of the Farm Board, its disastrous action which made the Government a speculator of farm products and the unsound policy of restricting agricultural products to the demands of domestic markets.

This was one of the solemn covenants made with the people in the platform of 1932.

Pursuant to that platform the candidate for the highest office within the gift of the people addressed himself to the country on the 14th of September at Topeka, and said:

When the futility of maintaining the price of wheat and cotton through so-called stabilization became apparent, the President's Farm Board, of which his Secretary of Agriculture was a member, invented the cruel joke of advising the farmers to allow 20 percent of their wheat land to lie idle, to plow up every third row of cotton, and to shoot every tenth dairy cow.

And at last, after practically all the harm that could possibly be done had been done, the President's acceptance speech of 1932 fully recognizes the futility of the stabilizing experiment and merely apologizes for the result.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a further quotation at this point?

Mr. DIRKSEN. I yield.

Mr. SNELL. In the speech of Candidate Roosevelt on June 17 he said:

We must at once take the Farm Board out of speculation in wheat and cotton, try out a new plan to insure getting crop surpluses out of the country without putting the Government in business.

Mr. DIRKSEN. Quite true.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield for a question?

Mr. DIRKSEN. I yield.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 10 additional minutes to the gentleman from Illinois.

Mr. MARTIN of Colorado. I just wanted to know from the gentleman if he is going to vote for the bill.

Mr. DIRKSEN. Yes; I will say to my good friend from Colorado I fully intend to vote for the bill.

Mr. MARTIN of Colorado. The reason I asked is because the gentleman from Oklahoma [Mr. MASSINGALE] and I have made an agreement to applaud every Member who talks against the bill and votes for it. I just want to know in advance so we can get ready, you know.

Mr. DIRKSEN. I deeply appreciate the vagaries of the mind of the gentleman from Colorado, but I simply cannot overlook this opportunity to call the kettle black in view of the experience we have had since 1932, but I assure the gentleman we do it in the most charitable fashion in the hope of keeping the historic record straight. But as we talk about the Farm Board my good friend from Colorado doubtless will remember something about it having been a tallow-pot tiller of the soil, or a farmer, himself out there in Colorado. As late as 1931 they had about 247,000,000 bushels of wheat and something like \$208,000,000 of direct advances to cotton. Then it became necessary to liquidate the holdings. We swapped 25,000,000 bushels of wheat for 1,050,000 of Brazilian coffee, and I think we still have several thousand bags of that coffee left. It is being marketed in an orderly fashion at the present time.

We sold 15,000,000 bushels of wheat to China. We have received the interest on the note, but not the money. We sold 7,500,000 bushels of wheat to Germany. We have received the interest on the note, but we have not received any of the principal sum. We gave 844,000 bales of cotton and 85,000,000 bushels of wheat to the Red Cross. So by the time the whole score was settled it cost us \$371,000,000.

If what the gentleman from Massachusetts who preceded me said is pathetically true that ultimately the loss of the Commodity Credit Corporation may run as high as \$300,000,000 then both of the major parties have proved to their own satisfaction, after painful experiment, that stabilization is not all it is cracked up to be.

The gentleman from Georgia stated that the Government ultimately would not lose money on this venture, but that is only half of the story. The other half is what is the cotton farmer going to lose? Let me tell you a little experience I had back in the days of the Farm Board when I used to go into the bake shop with a white cap and suit on and help make doughnuts, tea rolls, bread, and all that sort of thing. A flour salesman would come in to sell flour. I remember distinctly on one occasion I said, "What kind of quotation can you give me on 5,000 barrels of good spring-wheat flour?" He said, "If you can tell me what the Farm Board is going to do with the great backlog of surplus that is piled up at the present time, I will tell you what I can do by way of a future quotation on flour."

There is the difficulty in a stabilization program. It is the fact that you set up an enormous surplus of some basic commodity and it hovers as a sinister influence over the market so that it begins to destroy prices. It begins to inspire a species of fear in the minds of purchasers. They begin to buy from hand to mouth, whether it is the small-town baker or one who goes into the market and buys a million barrels of flour at a time. I am not so sure, as we accumulate these surpluses in the warehouses, in spite of the efforts of the Commodity Credit Corporation, that the cotton farmer is not going to ultimately have to pay the bill. As you pile up these surpluses you cannot help but have fear and apprehension over the consuming market. Ultimately it will be reflected in the form of lower prices.

Mr. Chairman, it must be patent that the philosophy of the Commodity Credit Corporation is not different from the Federal Farm Board. It is simply a question of stabilization. You do it by advancing money, whether it be on turpentine or resin, cotton or corn, wheat, peanuts, or tobacco. It makes no difference. You pile up a surplus. You advance the money so that the producer can hold it awhile in the hope that there will be an appreciation in the price; but it is essentially a stabilization operation, whether it be the Farm Board or the Commodity Credit Corporation, and as soon as we pile up enough we cannot get away from this deflection in price which sets in and the producer pays the bill.

Mr. MARTIN of Colorado. Will the gentleman permit another interruption?

Mr. DIRKSEN. It will be the rarest kind of pleasure.

Mr. MARTIN of Colorado. I may say to the gentleman it may be that we appear to be criticizing the former administration for doing in one form what we are undertaking to do in another, but it looks like there is one thing that we can agree on in this country. We have a problem of excess production. Apparently we cannot agree on the remedy, but we ought to agree on the fact that we are faced with a permanent problem of excess production in agriculture, the same as in industry. The question is, How are we going to meet this problem? We are undertaking to meet it here perhaps by methods that may ultimately fail. However, the problem is there, and it has to be faced, and it has to be solved before we will have stability and prosperity in either agriculture or industry in this country. In other words, we no longer need the number of farmers and we no longer need the number of workers to produce what the people of this country can consume.

Mr. DIRKSEN. I will say that in large part I think the gentleman is right.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DIRKSEN. I believe your party can be criticized in one respect. You criticized us for a stabilization operation in 1932 and then you turn around and make the same identical mistake. The result, foresooth, must be the same result.

The wind-up is a headache. We lost \$371,000,000 on the Farm Board. You are going to lose money on the Commodity Credit Corporation. The only difference is you lose the money more efficiently than we did, because we have been charged with the dereliction, shall I say, of indifference to the task. You are doing it much more efficiently.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. I do not believe we were losing money on the A. A. A. The sugar bill, so far as I know, was working perfectly in the West. The sugar companies had accepted it, the growers had accepted it, and the workers had accepted it. They were all making more money than before; the industry was prospering. There was no complaint from the consumer, and the plan was at the same time financing itself.

Mr. DIRKSEN. There was some excuse for the Farm Board losing money in its wheat operations. It started to finance wheat when wheat was selling at \$1.15 per bushel for No. 2 at Kansas City. Wheat finally went down to 45 cents a bushel. Let me point out, however, that at no time in the history of its operations from 1929 until 1932 was there more of a spread in wheat than from 7 to 15 cents between Winnipeg, Liverpool, Kansas City, and Chicago. You had a deflection in the wheat price everywhere in the world, so the price of wheat in this country was simply going down corresponding to the depression in price in Liverpool, Winnipeg, and other places of the world. They could not help it, as a matter of course; but now you have had the extra advantage of having taken 40,000,000 acres out of cultivation and having had an agricultural act that, according to the last record that came to your office this morning, cost \$1,480,000,000. Having taken 40,000,000 acres out of cultivation, the Commodity Credit Corporation should have a far better record than it does at the present time; but the brutal and stark fact remains, when you get through with the stabilization operation you will have made the same identical mistake for which we were criticized in 1932. You will wind up with a financial loss and a great big hangover.

For practical purposes the Commodity Credit Corporation now owns about 5,000,000 bales of cotton. This cotton was pledged for loans of 12 cents a pound. The market price is about 11½ cents. Insurance, warehousing, and other charges have brought the C. C. C.'s investment to 13½ cents a pound. It will probably cost a cent per pound per year to carry this cotton. In a brief while another crop will go to market. Invariably there is a price recession as we go from the old into the new crop. What assurance is there, therefore, that the C. C. C.'s losses, in spite of all the financing skill that can be brought to bear, will not go to two hundred or three hundred millions before this venture ends?

Nobody will deny that it has brought relief. That, however, could be said of the Farm Board. It, too, brought momentary relief. But sooner or later it had to reckon with the overhanging visible supply, and when apparent oversupply and sluggish demand began to operate, seven-eighths Middling cotton went from 18 cents to 6 cents. That is where the real problem began. It will therefore be interesting, and perhaps a bit painful, to see what the ultimate outcome will be. We may have to fight this battle all over again before we find durable relief.

Mr. Jones' testimony is most illuminating on this whole matter, and I quote some fragments of what he stated to the committee. At one point he said: "This cotton will not bring 13½ cents * * *." Again he stated, "The market is now around 11½ cents." Later he stated that, "There is still a substantial surplus." At still another point he stated that, "At the end of the current market year the carry-over of American cotton will be between eight and nine million bales, which is three or four million bales above the average normal carry-over." That statement of fact is fraught with significance for the future. At another time he said, "We could move a good deal of this cotton now if the countries that need it had anything to buy it with." And, finally, he said, "We have the cotton and cannot do much else except hold it and feed it out to the market as the market

will take it." Meanwhile there will be another cotton crop, and then what?

I shall support the bill, however, because we cannot leave the C. C. C. suspended in midair with 5,000,000 bales of cotton and a paper loss of \$50,000,000. We are in the position of Macbeth, who having committed the crime, said:

I am in blood, stepped in so deep
That should I wade no more,
Returning were as tedious as go o'er.

There is little to do except go "oe'r"; but it is only fair to remind the hosts of democracy that what they so glibly condemned in 1932 as extravagance and speculation on the part of the Farm Board now takes on the habiliments of sacred policy. Funny what a difference a few years make.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. BUCKLER].

Mr. BUCKLER of Minnesota. Mr. Chairman, since you have been discussing the Farm Board and the Commodity Credit Corporation here this afternoon, I would like to explain to you the difference between the Farm Board and the Commodity Credit Corporation.

As I understand from the information that has been given us on this floor, the Commodity Corporation lends the money direct to the farmers, and if you have had a loss of \$25,000,000 or \$30,000,000 the farmers have received that money, but I would like for any of you to show me any farmer in the United States who ever received any benefit from the Farm Board. [Applause.]

When the Farm Board started its operations, wheat out in my country was selling at \$1.35 a bushel. Mr. Legge, chairman of the Farm Board, whom I happen to know personally, and who has been on my farm, was a very nice gentleman and had good intentions, but somebody down in Washington pulled the props out from under Legge and he fell down with the whole proposition.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. BUCKLER of Minnesota. I cannot yield, as I have only 5 minutes. I hope the gentleman will excuse me.

As I was saying, wheat was worth \$1.35 a bushel in my country and I was one of the farmers who had 10,000 bushels at that time. Mr. Legge went over the Northwest and told the farmers that \$1.35 was too cheap. He said, "Don't sell your wheat, hold it. He pegged the price at \$1.25", and we expected, of course, we would never have to take any less than \$1.25 and we thought we might perhaps get more and therefore we held our wheat. What happened? The gamblers and speculators in Minneapolis and other markets of this Nation went to work and unloaded their wheat on the Farm Board. Then the powers down in Washington told Mr. Legge to drop the price, stating he could not hold it at \$1.25, and he dropped it to 75 cents before the farmers had a chance to sell their wheat. The farmers still thought perhaps they would get 75 cents but in a very short time the 75-cent price was withdrawn and a great many of the farmers in the Northwest held their wheat until it went down to 50 or 60 cents. The Farm Board gathered all of this surplus up from the speculators and the gamblers and held the wheat for years.

The farmers thereafter sold their wheat as low as 30 cents a bushel. Therefore, this 370,000,000 lost by the Farm Board went to the speculators and elevator companies.

This is the history of the Farm Board. These speculators and gamblers not only sold the wheat to the Farm Board, but they went on the market and sold millions of bushels of wheat they did not have—in other words, "hot air"—in order to depress the price, because if they could force the price down, they could collect the difference between \$1.25 and 50 cents a bushel. Legge had the actual wheat and was in a good position to break the gamblers, which no doubt he intended to do, but Hoover or somebody down in Washington told him not to do it. As you will remember, Mr. Legge resigned and only lived a few years thereafter. Pegging the price of cotton is a step in the right direction. Before we get out of this depression I believe the Government will have to set a minimum price on all farm commodities. Farmers are the only class of people in the United States that produce

their crops for less than cost and allow the gamblers to set the price. They have only been able to do this by denying themselves of all the luxuries, a great deal of the necessities of life, and working themselves and children long hours.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. McLAUGHLIN].

Mr. McLAUGHLIN. Mr. Chairman, after this full discussion I hesitate to ask time to say a few words on this bill, and would not do so were it not for the fact that the constituency which I represent is vitally interested in the matter of commodity loans, especially corn raisers of the Middle West and in the district which I represent.

I have listened this afternoon to a discussion of the comparative merits and demerits of the Farm Board and the Commodity Credit Corporation. I have heard the men on our majority side defend the Commodity Credit Corporation as against the Farm Board, and vice versa.

I think there is a vital distinction between the two. The distinction I have in mind is the fact that during the time when the Commodity Credit Corporation was in operation we had a program of control, which had the effect of raising the price of farm products.

My distinguished friend the gentleman from Kansas [Mr. HOPKINS] credited the drought with the raise in farm prices. This is a matter of controversy, but it will be very difficult for us to satisfy the farmers of the Middle West that the farm-relief program of this administration has not had a very beneficial effect on the prices of farm commodities.

Now, let us not lose sight of the fact that this is a bill merely to increase the capitalization of the Commodity Credit Corporation. I have read the report. I am interested in it because I am a member of the group known as the agricultural group or the prairie group—I was appointed chairman of the committee on commodity loans of the prairie group, and this committee has done much work on the subject.

We discussed this matter with Mr. Davis, of the Agricultural Adjustment Administration, and he said that in his opinion such a bill would bring about the result desired; in other words, continue the loans on corn which have been made up to this time.

On March 2 I introduced a bill—H. R. 11556—to increase the capital stock of the Commodity Credit Corporation, just as it is increased by the bill under discussion. The Senate passed S. 3998, the bill now before the committee, and the Banking and Currency Committee reported that bill favorably. That action of the committee will insure speedier passage than if H. R. 11556 were reported out, and I heartily approve the committee's action.

I can say, without fear of contradiction, that of all the acts of this administration looking to farm relief, that which permitted the loan of 45 cents a bushel on corn has met with the highest approval throughout the agricultural sections of this country.

So I say that I am interested in this bill and the continuance of these loans, and I trust the bill will pass. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield the remainder of my time to the gentleman from Wisconsin [Mr. REILLY].

Mr. REILLY. Mr. Chairman, the purpose of the pending bill is to permit an increase of from \$3,000,000 to \$100,000,000 of the capital stock of the Commodity Credit Corporation.

The Commodity Credit Corporation was organized in October 1933 by an Executive order for the purpose of stabilizing the value of farm products, through the advancing of money to farmers so that they could hold their crops and market the same in an orderly manner.

The capital stock of the Commodity Credit Corporation is \$3,000,000, and it is proposed in the pending bill to grant permission to this Corporation to increase its capital stock to \$100,000,000. The increase of \$97,000,000 of capital stock is to be taken up by the Reconstruction Finance Corporation and is to be paid for in loans already outstanding from the Finance Corporation to the Commodity Credit Corporation. The passage of this bill will call for no further expenditure of

money on the part of the Reconstruction Finance Corporation. The purpose of this bill is to put the Commodity Credit Corporation on a better financial basis so that it might be able to borrow money at a lower rate from private interests.

The Commodity Credit Corporation has loaned hundreds of millions of dollars to farmers on their crops, and of the sum loaned practically all has been repaid except the loans made on the crops for 1934, particularly the cotton crop of 1934.

In 1933 the Government loaned to the farmers 10 cents a pound on their cotton. This loan has been repaid, so also the loans made on corn and other agricultural products for that year.

In 1934 the Government loaned 12 cents a pound on cotton. At the time the said loans were made cotton was selling at 13½ cents a pound. Since that time the price of cotton has fallen off about one-half cent a pound, and the 12-cents-a-pound loan to the farmers for their cotton, together with the interest on the loans and storage charges, take up more than the difference between the 12-cents-a-pound loan on the cotton and the selling price of 13 cents a pound.

It would appear from the facts of the workings of this Corporation that the loan of 12 cents a pound on the cotton crop of 1934 was too high, and that the Corporation very likely will have to take a substantial loss. However, the object and aim of all agricultural legislation has been to put purchasing power in the hands of the farmer. There can be no doubt at all but that as a result of loans made to farmers by this Corporation the farmers in general have received hundreds of millions of dollars more for their crops than they would have received if they had not secured such loans.

One great difficulty with the farmer and his prices is that too many farmers have to sell their products immediately after being harvested, with the result that the market is glutted and prices fall. The Commodity Credit Corporation may cost the Government some money, but it has been of great benefit to the farmers, and, again, it may point the way to a proper set-up that will make it possible for the farmer to be relieved of the necessity of putting his crops on the market at a time when the market is overloaded. In other words, some kind of a set-up is sought that will enable the farmer to borrow on his crops and to hold the same until he can get reasonable prices.

I regret very much that my genial friend from Illinois [Mr. DIRKSEN], and a valuable member of the Banking and Currency Committee, did not see fit to stay in the Hall after his own speech and listen to the very instructive speech of our colleague from Minnesota [Mr. BUCKLER] on the workings of the old Hoover Farm Board. Mr. BUCKLER is what is known as a dirt farmer, and I take it knew what he was talking about when he told the story of the Farm Board and the wheat farmer, a story of ruin to the farmer.

There has been much said in this debate about the criticisms that the Democratic Party heaped on the old Farm Board and the fact that in its Commodity Credit Corporation it had set up the same kind of machinery for helping the farmer. I am not prepared to go into the history of the old Farm Board, but I think it is quite generally understood that the Farm Board cost the Government several hundred million dollars and that during its existence the trend of farm prices was downward, and I do know that during the existence of the Commodity Credit Corporation the trend of prices has been upward. To my mind, the most significant thing about the Farm Board legislation of the Republican Party and the Commodity Credit Corporation set-up of the Democratic Party is that it indicates that both parties have recognized that we have a serious farm price problem. Both parties have tried to set up machinery, through legislative enactment, that would bring about a parity of agricultural prices with other prices, particularly the prices that farmers have to pay for the products of the factory.

The old Farm Board attempted to help the farmer in two ways: One, through pegging operations on the stock market; and, two, through setting up corporations for the purchase of surplus farm products. Under the old Farm Board the farmer dealt with these corporations. Under the Commodity

Credit Corporation loans have been made, and are being made, directly to the farmer on his corn, his wheat, and his cotton, and so forth.

Mr. DIRKSEN. But what the Farm Board did was to finance a stabilization of cotton through a threefold program: First, it held 1,300,000 bales; second, it financed 2,100,000 bales through the cotton cooperatives; and, third, it financed 2,000,000 bales through the banks of the South. Is not that orderly marketing?

Mr. REILLY. No; it does not appear to have worked that way. The accumulated surpluses had a depressing effect upon the market, and, as I have stated, under the Farm Board agricultural prices tended downward, while under the Commodity Credit Corporation agricultural prices have tended upward.

My good friend from Illinois [Mr. DIRKSEN] is much concerned about the Democratic platform of 1932 and the failure of the Democratic Party to pay any attention to its platform pledges. The Democratic platform was written in July 1932. It was almost 8 months thereafter that Mr. Roosevelt took office—March 4, 1933. At the time the Democratic platform was written Mr. Hoover and his associates in the management of the Republican Party were telling the people that prosperity was just around the corner and that all the country had to do was to wait a little while longer. During the period from July 1932 to March 1933 the promised prosperity did not appear from around the corner. Instead, conditions got worse economically every day until, when Mr. Roosevelt was sworn in as President of the United States, industry and agriculture were on the verge of a collapse. The fact of the matter is, as it has often been stated, at that time our country was on the operating table. Mr. Roosevelt was confronted with a condition and not a theory when he took office and it was not what the makers of the Democratic platform had pledged the party to do in July 1932, but rather what had to be done on March 4, 1933, in order to save our industrial democracy.

Mr. Roosevelt was elected President of the United States because the country was tired of the watchful-waiting tactics of Mr. Hoover's administration. The people wanted action. They wanted the Government to do something affirmatively to aid industry and agriculture, to prevent the banks from failing. In other words, they wanted the Government to stay the rush of the panic. They wanted action, as I have stated, and they got it under the New Deal program to save the industry and agriculture of this country.

When Mr. Roosevelt came to Washington the leaders of the agricultural world were there to meet him and to beg of him to do something to save the farmer from ruin. Awaiting him also were the leaders of the industrial world begging him to do something to save industry, and there also came to him an appeal from the bankers to save the banks of the country from wrack and ruin.

The much condemned N. R. A. was not the product of Mr. Roosevelt's brain, but rather the program of the leaders of industry to save themselves. The A. A. A. was not Mr. Roosevelt's mental child, but rather the program of the great majority of the leaders of agriculture as their plan for saving the farmers of the country from wrack and ruin.

Notwithstanding the fact that much criticism has been hurled at these two pieces of legislation, I am of the opinion that the N. R. A. saved our industrial and that the A. A. A. was a godsend to our agricultural world.

Mr. HOLLISTER. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, certainly the world moves. As the distinguished gentleman just preceding me has so eloquently claimed as the excuse for the failure of the President to keep his political promises.

It moves in more ways than one and, even though the reasons and the excuses just given by this distinguished gentleman were all true, there is no excuse for either the administration, or the underlings of this administration, condoning violations of the Federal law by confirming certain acting postmasters and refusing to confirm certain other

acting postmasters, when the latter refused to purchase a confirmation, as it is claimed by a well-known Democrat the first group did.

I ask unanimous consent to revise and extend my remarks and to insert in the RECORD certain letters and an extract form of an application for postmaster under civil service.

The CHAIRMAN. Without objection, it is so ordered.

Mr. HOFFMAN. Here is a letter received from a Democratic acting postmaster, the same gentleman having served as a Democratic county chairman for 20 years, having contributed from his own funds to the Democratic organization and to Democratic campaigns, a man who, if there be any such thing as party reward, had certainly earned from his party an acknowledgment of his services and the appointment and confirmation to this minor position, which pays a compensation of but \$2,800, small reward certainly for all those long years of faithful service; a gentleman whose father, for almost 50 years, served in the like capacity—as chairman of the Allegan County Democratic committee.

This acting postmaster refused to pay for his confirmation as postmaster, after he had been appointed acting postmaster. He recognized the request for campaign funds for what it was and, true to his standards, he refused to be a party to the violation of the Federal statute, and the result you have in his own language. Let me read his letter:

My political enemies had the Postmaster General call the local office "vacant" so that they would be enabled to get me out. I cannot understand on what theory this office could possibly be classed as "vacant" as long as there is an eligible Democrat.

You will remember, too, that I was thoroughly investigated, and was cleared of any wrongdoing. That report is on file in the Post Office Department.

The fact of the matter is that I am to be punished because I would not violate the law regarding the purchase of Government positions. Those who did buy their confirmations (which the jury found was the fact), have been, or are being confirmed. That puts this administration in the position of approving of such illegal acts. And I cannot understand how they can afford to be put in that position. The inspectors called on the Democratic postmasters in this district with the result that they had damaging statements from all of them, and as a result, they had the Government subpoena 46 of them to give testimony in that trial in Grand Rapids. The special district attorney only used about 15 of them and then informed the court that he had a total of 46 witnesses on hand but that the testimony of the others would only be a repetition, and therefore he would rest his case without calling them. Of the 15 or so that did take the witness stand, about 11 of them testified that they were approached to give the ex-Congressman 10 percent of a year's salary for the confirmation. The others of us testified that we did not pay because we knew that it was against the law.

I am enclosing a copy of a letter to Mr. Sadowski, and a copy of a letter to Horatio Abbott. Also, I am enclosing one of the civil-service instruction sheets, and I call your attention to the last paragraph which concerns the paying for Government positions.

Sincerely,

EDMUND M. COOK.

The facts speak for themselves. This man, as were others, was appointed as acting postmaster in the Fourth Congressional District. Certain of them were approached by a Government official, who has since been convicted and is now confined in prison, and were asked to pay a certain percentage of their salaries, and were told, in substance, according to this gentleman's letter, that if they did pay they would be confirmed; that if they did not pay, they would be kicked out.

But it is not for me to criticize. The foregoing letter from this Democratic county chairman gives a fair bird's-eye view of the situation. The letters to which he makes reference were written to a Democratic Congressman and to the Democratic national committeeman from the State of Michigan. They are as follows:

ALLEGAN, MICH., March 23, 1936.

HON. GEORGE C. SADOWSKI,
Member of Congress, Washington, D. C.

DEAR MR. SADOWSKI: I am enclosing a copy of a letter to Mr. Abbott, which will explain itself.

Kindly use your efforts to prevent the giving of the patronage in this county to and through men who voted the Republican primary ballot in 1932 and prior thereto.

The gentleman who is attempting to secure this post office away from me voted a Republican primary ballot in 1934.

I have been acting postmaster since November 1, 1933, and I was thoroughly investigated by two inspectors from the Postal Department. They interviewed 70 of our citizens, and they all complimented me.

I am the chairman of the Democratic county committee, and I am the chairman of our Democratic county executive committee. I was regularly elected to each position.

If men who illegally bought postmaster confirmations are to be condoned and their illegal acts approved by this administration, I want to know it. I have always contributed generously to our party; in fact, I have paid all of the costs for 20 years. Please bear in mind that we were not asked to contribute. On the contrary, we were asked to buy confirmations, and the jury so found the fact to be.

I shall be pleased to hear from you regarding this matter, and I trust that I may have your assistance.

Respectfully,

EDMUND M. COOK.

ALLEGAN, MICH., March 22, 1936.

HON. HORATIO J. ABBOTT,
Democratic National Committeeman,
Ann Arbor, Mich.

DEAR MR. ABBOTT: We, the presidents of the Young Peoples and the Women's Democratic Clubs, of Allegan County, respectfully call your attention to the patronage question in this county.

Naturally we are very familiar with political conditions here, and we desire to inform you that W. R. Vaughan has no legitimate claim to the chairmanship of our Democratic county committee. He was made "temporary chairman until election" 10 days prior to the November election in 1934. He has never called a meeting of our county committee.

Our chairman Edmund M. Cook was unanimously elected to fill the vacancy in the chairmanship, and he is also the chairman of our executive committee, being unanimously elected to that position also.

Mr. Cook has been our county chairman for 20 years and has officiated as acting postmaster at Allegan since November 1, 1933. He passed the examination and stood a very rigid investigation after charges had been preferred by the then Democratic Congressman in 1934. There is now an attempt to crucify him for the reason that he knew the law and refused to purchase a confirmation. Others who did violate that law have been, and are being, confirmed, and we do not think that this great Roosevelt administration will be placed in the position of condoning these illegal purchases of confirmations.

We earnestly beg of you to prevent this crucifixion of the best standing Democrat in this county.

Only the best interests of the party have prompted us to take this matter up with you, and we think that we are entitled to consideration, and, we respectfully ask that you take this matter up with us if there is any further information you may desire.

Very respectfully,

DOUGLAS NASH,
President, Allegan County Young Peoples Club (Democratic).
AIMEE EARLEY COOK,
President, Allegan County Women's Democratic Club.

The extract from the application for postmaster, which declared this office vacant, is as follows:

Warning: All persons are warned against offering, promising, paying, soliciting, or receiving any money or other valuable thing as a political contribution, or otherwise, for use of influence, support, or promise of support, in obtaining appointment. Any such act is a violation of law and offenders will be prosecuted.

This Democratic county chairman who has been refused confirmation has long been a loyal Democrat, accepting the party's candidates, the party's platform, believing in the party's principles. He has given far more than he was able of both time and money to the Democratic organization and the furtherance of its purposes. He is respected, as is his family. His mother still lives in this community, where her husband for so many years, without political reward of any kind, served as county chairman, and where he, too, gave both time and money to—and in fact for many years was—the Democratic organization.

This refusal to confirm him is this man's reward for resisting temptation, for refusing to pay a bribe. Is it strange that he, his family, his mother, his relatives, and his friends should have come to believe that virtue must be its own reward, for certainly no other is given him by the Democratic organization?

On the contrary, it would appear as though those in control of patronage desired to discourage the giving of information which would tend to expose crookedness and violation of law, if such exposure resulted in discredit to the party's candidates.

Mr. HOLLISTER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, as frequently occurs in some of the bills we have recently had before us, there has been a great deal said which has been beside the point. In connection with this bill there has been a great deal of discussion of the relative merits of the Commodity Credit Corporation and the

Federal Farm Board. There is not any difference, and no matter how hard you work you cannot find any difference.

The world has not changed any, either, notwithstanding what the gentleman from Wisconsin [Mr. REILLY] said about today being a different world from the world of 1932. The same people are striving, with the same ideas, trying to bring about the same results, and unfortunately making very much the same mistakes.

I doubt the advisability of having ever organized the Commodity Credit Corporation. I question the wisdom and judgment with which it has been carried on, as to the amount of the margin on the loans it has made. I dread a continuation of the work of the Commodity Credit Corporation, in the event it still talks about making additional loans. On the other hand, we have it here before us. The question presented is not whether it shall be put out of existence or extended, because that question was passed on last year by the Congress, and the Corporation was extended until a period about a year from now.

The only problem is whether or not we should permit this refinancing set-up which Mr. Jones assures us will enable the Commodity Credit Corporation to secure cheaper money, that it may in turn pass it on to the borrower, and put itself in such financial position that it may be able to do some of its financing in the outside market, instead of all of its financing through the Reconstruction Finance Corporation.

I appreciate very clearly, as has been pointed out, and I think it should be pointed out again, that in a way the passing of this bill gives an opportunity to those in charge of the Reconstruction Finance Corporation to conceal, perhaps, the undoubted loss which will occur with respect to the Commodity Credit Corporation. Manifestly a corporation with \$3,000,000 capital and some \$300,000,000 of loans, if there is a slight loss at all on the loans, its capital will be completely wiped out and it will show a considerable loss over and above that, whereas if you shift it to a corporation with a capital of \$100,000,000 and approximately \$200,000,000 of loans you can have a very substantial loss which only appears as impairment of capital. But anybody who can read a statement and who knows figures can take a pencil and put it down on a piece of paper and see that the same loss is there.

If it is true that there are certain advantages to be achieved from the point of view of permitting the Corporation to reduce its activities and to secure outside money, rather than Reconstruction Finance Corporation money, I am willing to go along, notwithstanding the possibility it gives to have a kind of concealment of the loss which we know is going to occur.

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. All time has expired.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of Agriculture and the Governor of the Farm Credit Administration are hereby authorized and directed to take all necessary steps to increase the capital stock of the Commodity Credit Corporation by \$97,000,000; and that the Reconstruction Finance Corporation is hereby authorized and directed to acquire \$97,000,000 of the nonassessable capital stock of the Commodity Credit Corporation: *Provided,* That nothing herein shall be construed to increase the amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered under existing law to issue and to have outstanding at any one time.

Mr. GOLDSBOROUGH. Mr. Chairman, I ask unanimous consent that all Members who have spoken may have 5 legislative days in which to extend their own remarks.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Cox, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (S. 3998) to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season

to season, and pursuant to House Resolution 446, he reported the same back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the third reading of the Senate bill. The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. SNELL) there were ayes 55 and noes 10.

Mr. SNELL. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and I make the point of order that there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, will the gentleman withdraw that and perhaps we can traffic a little?

Mr. SNELL. I will withdraw it.

Mr. BANKHEAD. There is a conference report that we are very anxious to have considered this afternoon. We will agree to let the vote on this bill go over until tomorrow if the gentleman will withdraw his point of order.

Mr. SNELL. I will withdraw it.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4212) entitled "An act to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes."

NATIONAL HOUSING ACT

Mr. GOLDSBOROUGH submitted a conference report on the bill (S. 4212) to amend title I of the National Housing Act, and for other purposes, for printing in the RECORD.

Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill S. 4212.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. HOUSTON. Mr. Speaker, reserving the right to object, does this cut out the \$2,000 for small houses?

Mr. GOLDSBOROUGH. Yes.

Mr. HOUSTON. Then, Mr. Speaker, I object.

REPORT OF FEDERAL TRADE COMMISSION WITH RESPECT TO AGRICULTURAL INCOME AND ECONOMIC CONDITION OF AGRICULTURAL PRODUCERS

Mr. WARREN. Mr. Speaker, I offer a joint resolution, House Joint Resolution 553, extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally, and I ask unanimous consent for its immediate consideration.

The Clerk read the House joint resolution, as follows:

House Joint Resolution 553

Joint resolution extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally

Whereas the Federal Trade Commission was authorized under the provisions of Public Resolution No. 61 (74th Cong., 1st sess.), approved August 27, 1935, to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally; and

Whereas the said Commission was directed to present an interim report to the Congress on January 1, 1936, describing the progress made and the status of its work under said public resolution, and a final report with recommendations for legislation not later than July 1, 1936; and

Whereas it appears that the appropriation for conducting this investigation carried in the deficiency appropriation bill failed of passage in the first session of the Seventy-fourth Congress, and was not actually made until February 11, 1936, although the resolution authorizing the investigation was introduced some 18 months prior to the date specified for the completion of the investigation and report, and was approved August 27, 1935; and

Whereas the extensive information called for under the terms of the said public resolution has caused frequent and numerous requests for extension of time upon the part of persons from whom such information has had to be obtained, such extensions amounting to from 1 to 3 months in addition to 30 days' time originally allowed by the Commission; and

Whereas it is learned that such of the necessary information cannot be secured by July 1, 1936; and

Whereas it appears that it will be possible for the Commission to secure and present much more comprehensive data and to present a much more thorough and accurate study and report upon the same if the time within which it is directed to complete its investigation and submit its final report thereon with recommendations for legislation be extended: Therefore be it

Resolved, etc., That the Federal Trade Commission be, and it hereby is, authorized and directed to proceed under the public resolution aforesaid and is directed to complete the investigation thereunder and to submit a final report to the Congress with recommendations for legislation not later than October 1, 1936.

It is hereby further provided that any unexpended balance of the appropriation of the \$150,000 made in the Independent Offices Appropriation Act for the fiscal year 1936 in accordance with the authority contained in Public Resolution No. 61, Seventy-fourth Congress, first session, is hereby made available for like purpose to and including October 1, 1936.

The SPEAKER. Is there objection to the immediate consideration of the resolution?

Mr. SNELL. Reserving the right to object, Mr. Speaker, as I understand it, this resolution simply gives them additional time to conclude the investigation and file a report, and it does not ask for any additional money?

Mr. WARREN. That is correct. They were to file their report on July 1. This is to give them until October.

The SPEAKER. Is there objection?

There was no objection.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CALENDAR WEDNESDAY

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday may be dispensed with this week.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SIROVICH, for 1 week, on account of illness.

To Mr. HILL of Alabama (at the request of Mr. STARNES), indefinitely, on account of illness in his family.

ORDER OF BUSINESS

Mr. BANKHEAD. Mr. Speaker, as I understand it, the unfinished business tomorrow after the reading of the Journal will be the vote on the bill we just concluded?

The SPEAKER. The gentleman is correct.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 813. An act authorizing the Secretary of Commerce to establish a fish-cultural station in Arizona; to the Committee on Merchant Marine and Fisheries.

S. 1075. An act for the relief of Louis H. Cordis; to the Committee on Claims.

S. 1419. An act for the relief of George S. Geer; to the Committee on War Claims.

S. 1975. An act to authorize certain officers of the United States Navy, officers and enlisted men of the Marine Corps, and officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered; to the Committee on Naval Affairs.

S. 2126. An act for the relief of Ralph Reisler; to the Committee on Claims.

S. 3128. An act for the relief of Daniel Yates; to the Committee on Military Affairs.

S. 3160. An act to amend the law relating to residence requirements of applicants for examinations before the Civil Service Commission; to the Committee on the Civil Service.

S. 3371. An act for the relief of John Walker; to the Committee on Claims.

S. 3372. An act to provide funds for cooperation with the public-school district at Hays, Mont., for construction and

improvement of public-school buildings to be available for Indian children; to the Committee on Indian Affairs.

S. 3411. An act to authorize the acquisition of land for military purposes at Fort Ethan Allen, Vt.; to the Committee on Military Affairs.

S. 3460. An act to authorize the Secretary of the Interior to ascertain the persons entitled to compensation on account of private claim 111, parcel 1, Nambe Pueblo grant; to the Committee on the Public Lands.

S. 3488. An act to provide for an examination and survey to determine the best utilization of the surplus waters of the San Juan River and to determine the feasibility and cost of storing such waters and of diverting them to the Rio Chama; to the Committee on Irrigation and Reclamation.

S. 3537. An act for the relief of Felix Griego; to the Committee on Military Affairs.

S. 3581. An act for the relief of Henry Thornton Meriwether; to the Committee on Naval Affairs.

S. 3685. An act for the relief of George Rabcinski; to the Committee on Claims.

S. 3692. An act for the relief of William T. J. Ryan; to the Committee on Claims.

S. 3747. An act for the relief of Maizee Hamley; to the Committee on Claims.

S. 3770. An act to award a special gold medal to Lincoln Ellsworth; to the Committee on Coinage, Weights, and Measures.

S. 3781. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases; to the Committee on the Judiciary.

S. 3789. An act authorizing the Secretary of Commerce to convey the Charleston Army Base Terminal to the city of Charleston, S. C.; to the Committee on Merchant Marine and Fisheries.

S. 3821. An act to authorize the award of the Purple Heart decoration to Maj. Charles H. Sprague; to the Committee on Military Affairs.

S. 3859. An act to authorize the procurement, without advertising, of certain War Department property, and for other purposes; to the Committee on Military Affairs.

S. 3868. An act to amend section 32 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes", approved August 30, 1935; to the Committee on Interstate and Foreign Commerce.

S. 3885. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.; to the Committee on Interstate and Foreign Commerce.

S. 3950. An act to aid in defraying the expenses of the Sixteenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1937; to the Committee on Foreign Affairs.

S. 4026. An act to amend the National Defense Act of June 3, 1916, as amended; to the Committee on Military Affairs.

S. 4232. An act to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects; to the Committee on Irrigation and Reclamation.

S. J. Res. 209. Joint resolution authorizing the presentation of silver medals to the personnel of the Second Byrd Antarctic Expedition; to the Committee on Naval Affairs.

S. J. Res. 230. Joint resolution amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 31, 1936, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON THE PUBLIC LANDS

House Committee on the Public Lands will meet Tuesday, March 31, 1936, at 10:30 a. m., room 328, House Office Building, to consider various bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

741. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 26, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Marblehead, Ohio, with a view to establishing a harbor, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

742. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 26, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Grand Bayou Pass, La., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

743. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 26, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Otter River, Vt., with a view to making the river navigable from Vergennes to Lake Champlain, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

744. A letter from the Chairman of the Federal Trade Commission, transmitting the report of the Federal Trade Commission entitled "Price Bases Inquiry—the Zone Price Formula in the Range Boiler Industry", being in pursuance of section 6 of the act creating the Federal Trade Commission; to the Committee on Interstate and Foreign Commerce.

745. A letter from the Acting Secretary of the Treasury, transmitting a proposed bill designed to dispense with unnecessary renewals of oaths of office by civilian employees of executive departments and independent establishments; to the Committee on the Judiciary.

746. A letter from the Chairman of the Tennessee Valley Authority, transmitting its report on the Tennessee River system pursuant to section 2 of the act of August 31, 1935, amending section 4 (j) of the Tennessee Valley Authority Act of 1933; to the Committee on Military Affairs.

747. A letter from the chief scout executive of the Boy Scouts of America, transmitting, in accordance with the act of June 15, 1916, entitled "An act to incorporate the Boy Scouts of America, and for other purposes", the twenty-sixth annual report of the Boy Scouts of America (H. Doc. No. 328); to the Committee on Education and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MILLER: Committee on the Judiciary. S. 3344. An act to appoint one additional judge of the District Court of the United States for the Eastern and Western Districts of Kentucky; without amendment (Rept. No. 2277). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'LEARY: Committee on Merchant Marine and Fisheries. H. R. 10308. A bill to amend article 3 of the "Rules Concerning Lights, etc.", contained in the act entitled "An act to adopt regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States", approved June 7, 1897; with amendment (Rept. No. 2279). Referred to the House Calendar.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 9009. A bill to make lands in drainage, irrigation, and conservancy districts eligible for loans by the Federal land banks and other Federal agencies loaning on farm lands, notwithstanding the existence of prior liens of assessments made by such

districts, and for other purposes; without amendment (Rept. No. 2280). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 754. An act to amend section 21 of the act approved June 5, 1920, entitled "An act to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation, and provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes", as applied to the Virgin Islands of the United States; with amendment (Rept. No. 2281). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 10836. A bill to authorize the preparation of a comprehensive plan for controlling the floods, regulating the flow of waters, land reclamation, and conserving water for beneficial uses, in the basins of the Sabine and Neches Rivers, and for other purposes; with amendment (Rept. No. 2282). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 11854. A bill to provide for the erection of a monument to the memory of Gouverneur Morris; without amendment (Rept. No. 2284). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. COSTELLO: Committee on Military Affairs. H. R. 588. A bill for the relief of Alex Lindsay; without amendment (Rept. No. 2283). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 11550) for the relief of Frank Stirk Hailey; Committee on Claims discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 8576) for the relief of Sanford N. Schwartz; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 11115) for the relief of Bertha May Paddock; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 6695) for the relief of Daniel N. Farnell; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 8011) to extend the benefits under the World War Veterans' Act, 1924, as amended, to Ethel Boyd; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 9242) granting a pension to Ellen Morris McClain; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 12073) to reserve certain public-domain lands in New Mexico as an addition to the school reserve of the Jicarilla Indian Reservation; to the Committee on Indian Affairs.

Also (by departmental request), a bill (H. R. 12074) to consolidate the Indian pueblos of Jemez and Pecos, N. Mex.; to the Committee on Indian Affairs.

Also (by departmental request), a bill (H. R. 12075) to authorize the collection of penalties, damages, and costs for stock trespassing on Indian lands; to the Committee on Indian Affairs.

By Mr. THOMAS: A bill (H. R. 12076) for the exchange of land in Hudson Falls, N. Y., for the purpose of the post-office site; to the Committee on Public Buildings and Grounds.

By Mr. WILCOX: A bill (H. R. 12077) to amend section 902, title IX, of the Social Security Act, approved August 14, 1935; to the Committee on Ways and Means.

Also, a bill (H. R. 12078) to regulate bondholders' committees acting in interstate commerce or through the mails, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CRAVENS: A bill (H. R. 12079) to provide for a preliminary examination of the Poteau River in Arkansas with a view to flood control and to determine the cost of such improvement; to the Committee on Flood Control.

Also, a bill (H. R. 12080) to provide for a preliminary examination of the Sulphur River in Arkansas with a view to flood control and to determine the cost of such improvement; to the Committee on Flood Control.

By Mr. DEROUEN: A bill (H. R. 12081) to revise the boundary of the Grand Canyon National Park in the State of Arizona, the abolition of the Grand Canyon National Monument, the restoration of certain lands to the public domain, and for other purposes; to the Committee on the Public Lands.

By Mr. GOLDSBOROUGH: A bill (H. R. 12082) to amend the National Housing Act for flood-relief purposes, and for other purposes; to the Committee on Banking and Currency.

By Mr. GREEN: A bill (H. R. 12083) to amend the act of February 5, 1917, as amended, so as to provide for the deportation at any time of persons entering the United States in violation of law, and to prohibit the making of loans or the giving of relief to such persons and to prohibit the employment of such persons; to the Committee on Immigration and Naturalization.

By Mr. MAVERICK: Resolution (H. Res. 473) creating a select committee of the House to investigate the flood situation, and for other purposes; to the Committee on Rules.

By Mr. CITRON: Joint resolution (H. J. Res. 552) proposing an amendment to section 7, article I, of the Constitution of the United States, permitting the President of the United States to disapprove or reduce any item or appropriation of any bill passed by Congress; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY: A bill (H. R. 12084) for the relief of Giuseppe Campo; to the Committee on Immigration and Naturalization.

By Mr. CROWE: A bill (H. R. 12085) granting a pension to Jessie M. Melton; to the Committee on Invalid Pensions.

By Mr. DALY: A bill (H. R. 12086) for the relief of John McShain, Inc.; to the Committee on Claims.

By Mr. DARDEN: A bill (H. R. 12087) granting a pension to Arthur Leonard Wadsworth, 3d; to the Committee on Pensions.

By Mr. DOCKWEILER: A bill (H. R. 12088) granting a pension to Mattie A. Heard; to the Committee on Invalid Pensions.

By Mr. GOLDSBOROUGH: A bill (H. R. 12089) for the relief of Josephine M. Pryor; to the Committee on Claims.

By Mr. GRAY of Indiana: A bill (H. R. 12090) granting a pension to Grace A. Beatty; to the Committee on Invalid Pensions.

By Mr. HALLECK: A bill (H. R. 12091) granting an increase of pension to Elmira J. Douglass; to the Committee on Invalid Pensions.

By Mr. KNIFFEN: A bill (H. R. 12092) granting an increase of pension to Catherine Moore; to the Committee on Invalid Pensions.

By Mr. RISK: A bill (H. R. 12093) for the relief of Bartholomew Shea; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12094) for the relief of Walter B. Johnson and others; to the Committee on Claims.

Also, a bill (H. R. 12095) for the relief of Belle Huffine; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 12096) for the relief of Patrick J. Brennan; to the Committee on War Claims.

By Mr. THURSTON: A bill (H. R. 12097) for the relief of Salem F. Grew; to the Committee on Naval Affairs.

By Mr. PETERSON of Florida: Joint resolution (H. J. Res. 551) granting insurance payments to Hugh H. Newell; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10619. By Mr. BEITER: Petition of the Hornell Chamber of Commerce, Hornell, N. Y., making certain recommendations for flood-control work to be undertaken in the central-southern part of New York, and urging suitable appropriations by the Congress for this work; to the Committee on Flood Control.

10620. By Mr. JOHNSON of Texas: Memorial of C. P. Bodwell, Sr., of Avinger, Tex., route 3, favoring House bill 10359; to the Committee on Pensions.

10621. By Mr. KRAMER: Resolution of the Trust Deed & Mortgaged Home Owners' Association, of Los Angeles, relative to refinancing and amortizing loans on homes, etc.; to the Committee on Banking and Currency.

10622. By Mr. LAMBERTSON: Petition of Mrs. W. W. Cooke and 46 other citizens, all of Topeka, Kans., favoring passage of House bill 8739; to the Committee on the Judiciary.

10623. By Mr. LAMNECK: Petition of Mrs. C. S. James, secretary, Linden Woman's Christian Temperance Union, Columbus, Ohio, urging early hearings on the motion-picture bills; to the Committee on Interstate and Foreign Commerce.

10624. By Mr. RISK: Resolution of the Maud Howe Elliott Chapter, No. 245, Order of Ahepa, of Newport, R. I., requesting that the frigate *Constellation* be retained at its present port, Newport, R. I.; to the Committee on Naval Affairs.

10625. Also, resolution of the Newport County Pomona Grange, No. 4, of Newport, R. I., requesting that the frigate *Constellation* be retained at its present port, Newport, R. I.; to the Committee on Naval Affairs.

10626. Also, resolution of the Rhode Island Fruit Growers' Association of the State of Rhode Island, favoring the appropriation by the Congress of the United States of \$3,000,000 for the purpose of preventing the spread of Dutch elm disease and for the eradication of the same; to the Committee on Appropriations.

10627. By Mr. SUTPHIN: Petition of the Bradley Beach Democratic Club, urging the Federal Government to make an appropriation for coastal erosion; to the Committee on Appropriations.

10628. By Mr. TREADWAY: Resolutions adopted by the General Court of Massachusetts, memorializing the Congress of the United States relative to requiring that preference be given to citizens of the United States in employment on unemployment relief projects financed by Federal funds; to the Committee on Labor.

10629. Also, petition of 400 citizens of Pittsfield, Mass., urging enactment of the workers' social insurance bill (S. 3475); to the Committee on Ways and Means.

10630. By the SPEAKER: Petition of the North Harlem Community Council; to the Committee on the Judiciary.

SENATE

TUESDAY, MARCH 31, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, March 30, 1936, was dispensed with, and the Journal was approved.